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NEWS SUMMARY

GENERAL

Angry crowds greet Thatcher

Police arrested nine people as angry crowds greeted the Prime Minister Mrs Thatcher during her tour of towns in Lancashire.

Jeering crowds threw eggs, flour and paint in her direction as she and her husband, Denis Thatcher, visited factories in Bamber Bridge, Salterforth, Accrington and Rawtenstall in the Rossendale valley.

All the missiles missed her but a Tory official was showered with flour.

Rizzoli arrests

Italian police arrested at dawn the chairman and managing director of the Rizzoli publishing group, which owns Italy's leading newspaper, the Corriere della Sera. Back Page

S. Africa blast

A bomb blast at a South African government employment office in Bloemfontein injured 75 people, 18 seriously. Page 2

Indian boycott

Four opposition parties in India boycotted the opening of the Indian Parliament's budget session in protest against the "mishandling" of protests in Assam. Page 2

Italy rejects plea

Italy has turned down a Soviet demand for the immediate release of Soviet airline official held on spy charges.

TV ultimatum

Central Television in Herts has given nearly 600 workers a two-week deadline to accept its terms of moving to the Midlands or face redundancy.

'Reply' Bill fails

A Bill providing a statutory right of reply in newspapers, on television and radio, failed by 10 votes in the House of Commons. Page 3

Captain cleared

Glasgow Sheriff Court cleared Captain *David Neill of incompetence* in connection with the grounding of the steamers Waverley in 1977 and Prince Ivanhoe in 1981.

Cricket tour off

A four-week tour of the West Indies by the England women's cricket team has been called off because five of them have toured in South Africa.

Tanks mum

An 18-year-old army sapper paid his mother a surprise dawn visit in a 50-ton Chieftain tank which he had driven 80 miles from Bovington to Basingstoke.

Briefly . . .

About 10,000 French airline employees began a 24-hour strike.

An explosion shattered windows in the Washington Soviet Airlines building.

Czechoslovakian police shot and killed a man trying to hijack a domestic flight.

Fire in Ghana destroyed thousands of acres of plantations.

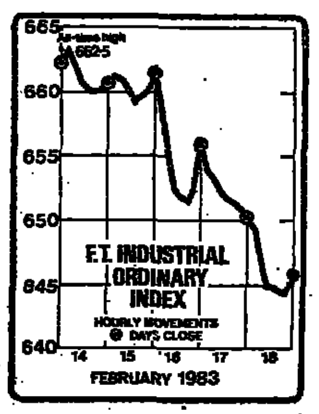
BUSINESS

GDP rises ½% in 1982

● UK gross domestic product last year was ½ per cent higher than in 1981 and 5 per cent lower than in 1979. The increase *was entirely due to a rise in* North Sea oil output. Back Page

● GILTS advanced. Official supplies of the new £30-paid short tap stock were exhausted in first-time dealings. Page 22

● EQUITIES fell but showed revived interest after the official close. The FT Industrial Ordinary index, off 6.1 at 3 pm, closed 4.4 down at 645.9. Page 22



● FRANKFURT: Share prices soared as investors scented a conservative victory in next month's general election. The Commerzbank Index gained 16.3 to 787.9, the highest since April 1979. Page 18

● STERLING held at $1.5425, rose to DM 3.7025 (DM 3.7), SwFr 3.085 (SwFr 3.075) and Y361 (Y360) but slipped to FFr 1049 (FFr 10.4925). Its trade-weighted index was unchanged at 80.7. Page 19

● DOLLAR rose to DM 2.399 (DM 2.3975), Y233.9 (Y233.3) and SwFr 1.998 (SwFr 1.9925) and held at FFr 6.8025. Its trade-weighted index was 119.1 (119). Page 19

● GOLD eased $0.50 to $503.5 in London. In New York the Comex February settlement was $505.7 ($502.8). Page 19

● WALL STREET was up 5.77 to 1094.68 near the close. Page 18

● STOCK EXCHANGE ruling council agreed proposals that would give overseas specialist dealers in traded options access to the London stockmarket. Back Page

● *IRISH whiskey, gin and vodka* sales to Northern Ireland increased 20 per cent by volume last year. Much of it is thought to have been smuggled back.

● STELCO, Canadian steelmaker, reported a C$40.8m (£21.6m) loss last year, against a C$82.8m profit. Page 21

● STANDARD Telephones and Cables reported pre-tax profits of £64.3m for last year, against a forecast of about £63m. Page 16

● SAINT PIRAN, the mining and house building group, part of Jim Raper's Gasco Investments of Hong Kong, has bought a 23.61 per cent stake in the Westminster Property Group. Page 16

UK FISCAL IMPACT SLIGHT ● £ STEADY ● OPEC IN DISARRAY

North Sea oil price falls $3

BY RAY DAFTER AND ROGER MATTHEWS

BRITISH NATIONAL OIL Corporation triggered a widespread cut in oil prices yesterday when it asked its suppliers and customers to accept a $3 a barrel reduction in North Sea prices.

Statoil, the Norwegian state oil corporation, said that Norway would immediately reduce its North Sea prices by between $3 and $3.45 a barrel in line with the UK price cut. And industry reports said that some *members of the Organisation* of Petroleum Exporting Countries, including Nigeria, were also preparing to follow suit.

Nigeria, which produces a similar type of crude to the UK and Norway, is expected to match BNOC's proposed $30.50 a barrel reference price. This would entail Nigeria cutting the rate for its high quality Bonny Light crude by $5 a barrel.

It is unlikely that BNOC, the major traders of North Sea oil, will obtain unqualified acceptance for its recommended pricing package. Some refiners who buy oil from the corporation said they were disappointed that the proposed cut was not greater, while independent producers said they would have liked a smaller reduction.

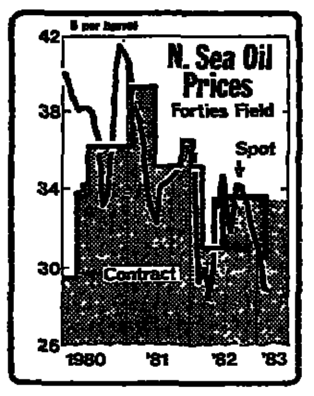
BNOC's proposals are thus a compromise. They will probably be accepted by its suppliers and customers next week on condition only that prices can be adjusted again in the event of a further fluctuation in the oil market.

The price of Forties and Brent crudes — the two main UK grades — is set to fall $3 a barrel to $30.50, backdated to February 1. BNOC is proposing cuts of between $2.90 and $3.50 in the price of other grades to reflect the quality and methods of transport. If accepted, other prices would be: $29.55 Flotta, $29.75 Beatrice, $30.10 Ninian, $30.20 Argyll, $30.75 Beryl, Fulmar and Statfjord, $30.85 Montrose.

The price cut will reduce the UK Government's North Sea revenues by about £900m in the 1983-84 financial year, according to stockbrokers Phillips and Drew. It will leave the Government with revenues of about £9.8bn — exactly the amount anticipated last autumn when the brokers were working on the incorrect assumptions of a *higher oil price and a higher* value for sterling.

The foreign exchanges seemed to indicate that the price cut had been fully discounted in advance. Although sterling opened in London at a four-year low on the Bank of England's trade-weighted index—at 80.5 it was 0.2 down on the previous night's level—by the close it had recovered to 80.7 (1975=100). *Sterling was also* unchanged in London against the dollar, closing at $1.5425.

Although BNOC's proposals had been well signalled, they still provoked a flurry of speculation that the most hard-pressed members of Opec would be forced to break ranks and announce unilateral price cuts.



Pressure for an emergency Opec meeting is certain to intensify over the weekend. Yet Saudi Arabia is insisting that there must be prior agreement on prices, production quotas and differentials. If Opec were to meet without such an understanding, Saudi officials believe the future of the organisation could be put at serious risk.

Nigeria could delay its planned price cuts if it receives rapid reassurances from Saudi Arabia on Opec strategy. Sheikh *Ail Khalifa*, the Kuwait Minister of Oil, said yesterday that two Opec members were already discussing a $4 cut in their crude prices. He said that if they persisted they could be disqualified from attending future Opec talks on pricing.

Sr Humberto Calderon Berti, the Venezuelan Oil Minister, forecast shortly before the new North Sea prices were proposed that other producers would be bound to follow suit.

"There is no doubt that a cut in price by that country (Britain) will oblige others to follow. You know when the prices start falling, but you do not know when they are going to stop," he said.

Iran and Libya have been the two Opec members most vehemently opposed to any price reduction. They sharply attacked Saudi Arabia's announcement that it would no longer seek to defend the $34 reference price. Both countries are, however, vigorously undercutting Opec agreed prices and *have substantially* exceeded their production quotas.

The six members of the Gulf Co-operation Council (Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Behrain, and *Oman) are scheduled to meet* today in Riyadh at Foreign Minister level. Oman, which is not a member of Opec, is particularly anxious to win Saudi approval for lower oil prices *and has already held* preliminary talks with its main Japanese customers.

Indonesia may seek IMF aid, Back Page
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Water strike goes on, say unions

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS OF 28,500 striking water workers last night rejected an appeal to call off their four-week-old national strike, as the inquiry into the pay dispute got under way.

Immediately after the water unions and the National Water Council had their first session *with the inquiry set up by the* Advisory, Conciliation and Arbitration Service, Dr Tom Johnston, chairman of the inquiry, asked the unions to call off the strike

The unions told him that it was not possible to meet his request. Union leaders believe that to halt the action at this stage would weaken their position.

Full supporting evidence was presented by both sides to Dr Johnston, principal of Heriot-Watt University, Edinburgh, and to inquiry members Mr Bill Keys, joint general secretary of the Society of Graphical and Allied Trades 82, and Mr Michael Bett, board member for personnel and industrial relations at British Telecom.

The chairman ruled that neither party should make public their extensive evidence, so as not to prejudice the inquiry's deliberations, which are being held in private.

All sides were guarded last night on how long the inquiry was likely to take.

The inquiry team is determined that its full report should provide a final determination of the complex issues surrounding the dispute. However, it feels the need to take relatively speedy action.

It is expected that both sides will face a series of question from the inquiry members today, following the full submission of all the evidence yesterday and a preliminary meeting last night at which opening statements and summaries of the respective cases were made.

One estimate was that the inquiry would begin to make its judgments late this afternoon, with a report still possible tomorrow afternoon.

A settlement of the dispute could still be delayed if the unions decided to put the inquiry's findings out to their members for a swift consultation. Equally the employers seem likely to insist that they *will need time to consider* the findings before the proceedings moved into their final stage—the translation of the report into a full agreement by the National Joint Industrial Council for the water manual workers, chaired, if necessary, by Acas.

The initial session of the in-

Continued on Back Page

BUSH FIRE VICTIMS WILL NOT GIVE IN

Remarkable Aussies show their mettle

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIANS are remarkable. In the midst of this week's appalling bush fires — when houses and pastures and people were burning — the universal reaction was of holding firm, and fighting back.

Some of the victims literally stood their ground, refusing to retreat, and yesterday, despite terrible pain and sorrow, the talk was of immediately reoccupying the burnt-out land.

Yet the damage from the holocaust of Wednesday night and Thursday is enormous, so *Australians know they must learn* — as they should have learnt in the past — not to take the bush for granted.

At least 43 people died in Victoria, and 26 in South Australia.

Some died alone, defending homes and possessions. Others died in groups, including 12 voluntary firefighters encircled and incinerated near Beaconsfield, Victoria.

In Victoria, where 33 people died in just three townships — Mount Macedon, Macedon, and Cockatoo — more than 1,500 homes have been destroyed.

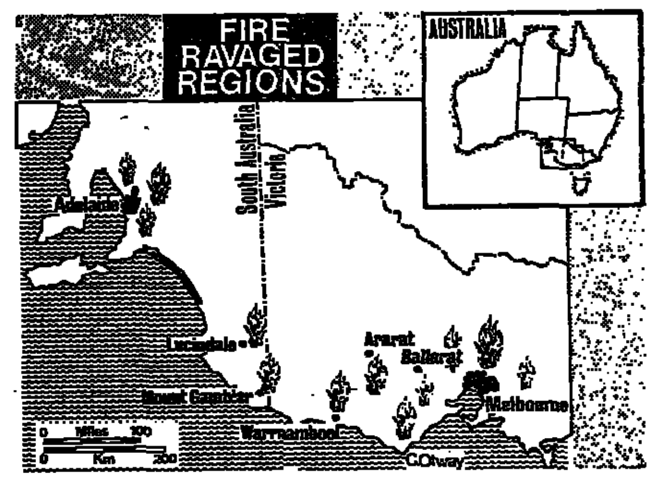
In South Australia, more than 1,100 square miles of agricultural land was burnt, as *well as more than 750 farms* and 200 houses. It is estimated that more than 200,000 sheep and 6,000 cattle perished in just one area of South Australia.

All told, the fires destroyed property conservatively valued at A$250m (£155m); timber — both state pine forest and native hardwood — worth more than A$50m; thousands of head of stock, and farm equipment, worth upwards of A$100m; and vineyards and wildlife. The total cost of the fires is put at about A$500m.

The Australian insurance industry has set up emergency claims processing centres, and sent assessors into the field, to speed the handling of claims. The industry is also seeking the agreement of both major parties in the March 5 general election to establish a national disaster insurance scheme to help mitigate the impact of the calamities (*floods, fires, drought and cyclones*) to which Australia is prone.

A similar scheme, calling for a pool of insurance cover against specified natural disaster hazards, was suggested in 1976 but rejected by the Government in 1979.

The insurance industry estimates that about a third of the homes damaged or destroyed were either uninsured or underinsured, leaving about 800 families homeless and penniless.



Many farmers, already struggling against drought and debt, are almost certainly under-insured, so final insurance claims will represent only a fraction of total losses.

Yesterday, the Government allocated an immediate A$10m in disaster aid to Victoria, and A$6m to South Australia. From around the world, offers of help were flooding in, some of them from countries, such as Papua New Guinea, far poorer than Australia.

Could any of it have been

Continued on Back Page

Lloyds Bank profits hit by bad debt provision

BY WILLIAM HALL, BANKING CORRESPONDENT

LLOYDS BANK yesterday reported an 18 per cent fall in pre-tax profits to £315.9m for the year ending December 1982.

The profit fall, to the lower end of stock market expectations, followed a 150 per cent rise in the provision for bad and doubtful debt to £218.9m. Lloyds is generally reckoned to be *more exposed than other* large UK clearers in its lending to Latin American countries facing international debt problems.

Nonetheless, Lloyds Bank shares jumped 33p to 478p yesterday following the bank's confident dividend increase of 15 per cent, making a total of 24.58p. This follows a 25 per cent increase in 1981.

Clearing bank shares rose sharply *following the results* and the FT-Actuaries Banks index rose to an all-time high of 316.30.

Sir Jeremy Morse, Lloyds Bank chairman, said the big increase in provisions for bad and doubtful debts both at home and abroad reflected "the troubled state of the world economy. But our balance sheet remains strong; trading results before provisions have continued to improve, and the cover enables us to increase the dividend by 15 per cent."

Lloyds Bank's total balance sheet rose by 25 per cent to £34.4bn, of which some 56 per cent is denominated in foreign currency. The group's net interest income rose 17 per cent to £1.2bn and other operating income rose 21 per cent to £391.6m. Operating expenses rose 17 per cent to £1.0bn.

The profits of the group's domestic banking operations fell marginally to £210.3m, while profits of Lloyds Bank International were down by almost a third, at £95.5m.

Lloyds and Scottish, the UK finance company, showed a 50 per cent drop in profits and Lloyds Bank California reported a £1m loss.

The growth in advances of the domestic clearing banks was "particularly strong," but current account balances rose by only 5 per cent. As a result, the group became more reliant on wholesale money and margins narrowed. The bad debt charge in the domestic clearing bank rose by £44.7m to £74.3m.

Unlike some clearing banks, *Lloyds Bank* refuses to disclose the proportion of its assets tied up in countries which are facing international payments difficulties and restructuring their debt. Nevertheless, the group *has historical strengths in Latin* America and it is regarded as the UK bank with the highest relative exposure to this problem area.

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Superdrug is 95 times oversubscribed

By Dominic Lawson

THE OFFER for sale of 25 per cent of the equity of Superdrug Stores has been *almost* 95 times oversubscribed by would-be investors. The 8.8m shares on offer brought in 240,000 applications, for a total of 840m shares—equivalent to £1.47bn.

This is believed to be a record overscription multiple for a new issue. The previous record is thought to have been held by Eurotherm International, the electronics company, whose offer five years ago attracted an 85-fold oversubscription.

A week ago the Government's offer of 49 per cent of the shares of Associated British Ports attracted £740m *of applications in a 34-fold* oversubscription.

Mr Ronald Goldstein, joint chairman of the family-run discount retailers, said that he was "staggered" by the response to the offer, but

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Basis of allotments, Page 16

£ in New York

	Feb. 17	Previous
Spot	$1.5400-5415	$1.5465-5480
1 month	0.28-0.26 dis	0.31-0.28 dis
3 months	0.73-0.70 dis	0.76-0.72 dis
12 months	1.42-1.32 dis	1.45-1.35 dis

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 12pc '87	£102⅜	+ ⅛
Treas 13¼pc 2004-08	£117¼	+ 1
BET Dfd	220	+ 23
Brunning	150	+ 16
Commercial Union	135	+ 6
Electro-Protective	254	+ 6
Hollis Bros & ESA	50	+ 5
Kennedy Brookes	209	+ 13
Land Securities	303	+ 5
Lloyds Bank	478	+ 33
NatWest Bank	530	+ 25
Nthrn Goldsmiths	174	+ 15
Pratt (F.)	32	+ 7
Royal Bk Scotland	127	+ 7
Sound Diffusion	276	+ 26
Tilbury	118	+ 10
Woolworth	216	+ 5
BP	324	+ 8
Britoil	58	+ 7
Mariner	87	+ 14
Feb Intnl A	100	+ 7

FALLS

BTR	426	− 6
Blue Circle	400	− 5
Brown (J.)	17	− 2
Ferranti	471	− 11
Hoover A	117	− 8
ICI	380	− 6
Lndn & Liverpool	530	− 18
Polly Peck	£32¼	− 1¼
Sedgwick	211	− 10
Tozer Kemsley	18	− 3
Unilever	790	− 18
Carr Boyd	125	− 7
F. S. Geduld	£36¼	− 2
Gld Mn Kalgoorlie	780	− 30
Hartebeest	£54¼	− 1¼
Impala Plat	620	− 20
Otter Exploration	48	− 5
Poseidon	392	− 8
West Rand Cons	700	− 35

CONTENTS

For latest Share Index phone 01-246 8026

Portugal denies seeking BIS loan

By Peter Montagnon, Euromarkets Correspondent

A SENIOR Portuguese official moved yesterday to quash persistent reports that a shortage of foreign exchange has led the country to seek a short-term bridging loan from the Bank for International Settlements in Basle.

The reports surfaced in Lisbon before Christmas and began to gain credence in the Euromarkets because of the country's government crisis, its approach to the International Monetary Fund, and the slow response to some recent Portuguese borrowings in the international capital markets.

In London yesterday, Sr Victor Constancio, deputy governor of Portugal's Central Bank, denied that Portugal had opened negotiations with the BIS or sold gold to boost its cash resources.

"So far, we didn't feel the need and we hope it won't be necessary. The market is still responding and we are using normal market operations," he said.

Sr Walter Marques, Secretary of State at the Portuguese Treasury, added that Portugal needed to borrow some $2.1bn (£1.4bn) this year to cover its current account balance of payments deficit and a further $900m to meet repayments due on medium and long-term debt.

This is a much smaller total than previous estimates of new borrowing of up to $4bn, which Sr Constancio said were wrong. In addition, however, Portugal has to roll over some $4bn in short-term debt, most of which is trade-related.

Portugal, whose total debt is currently $12.4bn, has asked the International Monetary Fund for a $140m loan from its Compensatory Financing Facility to cover shortfalls in export receipts. It is also looking at the possibility of "other arrangements," according to Sr Marques.

The country's foreign debt is about 90 per cent covered by its gold and foreign exchange reserves of $10.9bn. More than 90 per cent of this total is gold which is factored in to the reserves at its market value, Sr Constancio said.

Michael Thompson-Noel in Sydney reports on the bruising run-up to today's state election

Dress rehearsal in the Australian Wild West

RAY "ROCKY" O'CONNOR versus Brian "Billionaire" Burke. It sounds like a prize-fight, staged to entertain prospectors during the Kalgoorlie goldrush—which is not inappropriate for the line-up in today's state election in Western Australia.

In some ways, it will be a dress rehearsal for the country's general election in two weeks' time, though in Australia state elections sometimes have slight bearing on Federal polls.

Mr Ray O'Connor, 56, is Western Australia's Liberal Party Premier, tall, rugged, self-made, rich, and says he works (and enjoys) a 10-hour week. He favours brightly striped ties and is a former boxer (hence "Rocky") whose fierce jabbing and political ringcraft are a direct inheritance from his mentor and coach, the former Premier Sir Charles Court.

Mr Brian Burke, 35, is the Labor Party challenger — urbane, relatively, rosy-cheeked, he is a former television news reporter whose father held the Federal parliamentary seat of Perth for 13 years and whose recent appellation — "billionaire" — was foisted on him by the Liberal Party in connection with the allegdly free-ranging nature of Labor's spending plans.

It has been an armpit campaign, for this is the wild and woolly West — a vast area, mostly desert, where men are men, hold their beer, and affect macho disregard for the cissies in Canberra, and the degenerates in the East (Sydney, Melbourne, and above all Queensland, the West's big rival in the mining and resource investment stakes).

Mr O'Connor set the early tone by instructing Mr Malcolm Fraser, the Federal Liberal Prime Minister, to "keep out" of Western Australia during the state campaign. No-one talks to Malcolm Fraser quite like that, but Mr O'Connor was aggressively unrepentant when I asked him in Perth why he had one it.

"Because the states are capable of running their own affairs, we don't need foreigners, or outsiders from Canberra, telling us what to do." And how was he progressing without Mr Fraser? "Extra good," he said.

In contrast, the new Federal Labor leader, Mr Bob Hawke, has been cutting a dash on the campaign trail. At one point, shown an infant that was said to be a "future prime minister." Mr Hawke's eyes gleamed. "Well," he said quickly, "you'd better feed 'im up."

At the Federal level, voting patterns in Western Australia on March 5 will be important, for the state has four Liberal or National Party seats (Perth, Canning, Stirling and Moore) vulnerable to a swing to Labor of 3 per cent or less. Nationally, Labor needs a uniform swing of 1.4 per cent to gain the 11 extra seats needed for office, and with Mr Hawke popular in Western Australia — an uncle was a former premier, and he gets on well with Mr Burke — it has reasonably good hopes for March 5.

In today's state election, however, things will be harder. The Liberal-National Country Party coalition has 30 seats to Labor's 23, with Labor seeking a uniform swing of around 6 per cent, far easier said than done in a state where many seats, both government and opposition, are held with huge majorities.

As in the Federal election, the overriding issue is jobs and unemployment, though Mr O'Connor is quick to point out that employment in Western Australia actually rose by 0.7 per cent last year, while shrinking in New South Wales, Victoria, South Australia, and Tasmania. (It rose in Queensland, too.)

Ray O'Connor and Brian Burke: slugging it out

Lynch-pin of the Liberals' platform is a A$300m (£186m) Job Bank plan which offers the equivalent of 30,000 jobs over the next two years and has something for everyone.

Mr O'Connor has also supported the Federal wages freeze, promised help for small businesses, and vowed to increase the state's involvement in high technology.

He ridiculed the Federal Labor Party's plans for a "resource rent tax," and criticised the state Labor Party's policies on resource project ownership.

According to the Liberals: "A classic example is the (A$350m) Argyle diamond venture. Under Liberal policy, the state gets a base royalty of 7.5 per cent regardless of profit or loss — and 22.5 per cent of any profits without risking a cent. Simply for the sake of their socialist obsession, Labor wants to take A$150m out of taxpayers' pockets and risk it unnecessarily to get a 15 per cent share."

However, some observers regard Labor's platform as less radical than that of the Liberals — its key points (apart from the we-say-they-say-we-say controversy over resource projects) being a development bank, an export marketing corporation, and help for the mining industry, particularly nickel and iron.

According to Labor: "Mr O'Connor is paying for Job Bank with A$250m he doesn't have," at a cost per taxpayer of A$14 a week, whereas Labor itself is offering to balance the state budget without higher taxation.

Despite the recession, the mood in Perth is one of optimism. Apart from the Argyle diamonds, major projects in hand in Western Australia include the A$11bn North West Shelf natural gas venture; the A$1bn Worsley alumina refinery; a possible A$1.2bn aluminium smelter-power station complex undertaken with the help of Korea; oil and gas exploration worth A$250m a year; A$200m worth of development in the Western goldfields; and further investment in iron ore, nickel, copper and uranium.

There is also a boom in the bush, with the Western Australian wheat harvest this year expected to account for 70 per cent of Australia's total crop, the state having largely escaped the catastrophic drought which has stricken New South Wales, Victoria, Queensland and South Australia.

In the saloons on the old goldfields, there used to be a saying that Western Australia was good for four things; sun, sand, sin and dust-sore eyes. But not any longer, which is why even the Prime Minister of Australia does not fly in and out just as he pleases.

Budget session boycott in India

By K. K. Sharma in New Delhi

FOUR MAJOR national opposition parties in India yesterday boycotted the ceremonial opening of parliament's budget session by President Zail Singh, protesting against the Government's "mishandling" of the troubles in the north-eastern State of Assam.

In the week-long election in Assam that began last Monday and ends tomorrow, more than 300 people have already been killed in the violent agitation by students who want the poll suspended.

Opposition parties, not taking part in the Assam election, have supported the student demand, but it has been rejected by the Prime Minister, Mrs Indira Gandhi.

Mrs Gandhi now faces a strong opposition onslaught on Monday when Parliament meets for its regular budget session and a censure motion is expected.

The President made a brief reference to Assam in his address and hoped the opposition would help to sort out the problems in all troubled states, including Punjab.

Cheysson extends visit

MOSCOW — French foreign minister Claude Cheysson, who arrived in Moscow on Wednesday, said yesterday he will meet Soviet leader Yuri V. Andropov on Monday, extending his official visit by two days in a gesture apparently aimed at improving relations between Paris and the Kremlin.

Bloemfontein bomb

BLOEMFONTEIN — South African police said yesterday that a bomb allegedly planted by the banned African National Congress in a government office in the capital of Orange Free State, injuring 76 blacks, 18 of them seriously.

General Mike Geldenhuys, chief of the South African Police, said in Pretoria that it would be the most costly blast tni erms ofinj uries inthe — in terms of injuries in the movement's sabotage campaign. The ANC had no comment to make.

OAU committee

A SPECIALLY convened 12-member committee of the Organisation of African Unity (OAU) ended a day long meeting in Nairobi yesterday with a recommendation that the organisation's twice-abandoned 19th summit be held in Addis Ababa in May or June.

Zimbabwe lawyers

TWO white attorneys, Mr Mike Hartmann and Mr Rhett Gardner, appearing as defence counsel for some of the senior Zimbabwe air force officers detained last year on accusations of complicity in sabotage were yesterday convicted of contempt of court and fined Z$100 (£67) each. The lawyers alleged last year that some of the officers had been tortured.

Trade relations

CAIRO—Lebanon and Egypt have agreed in principle to restore trade relations, Mr Ibrahim Halawi, Lebanese Minister of Economy, Trade and Tourism, was quoted as saying yesterday.

Mr Halawi's visit is seen as further evidence of Arab rapprochement with Egypt.

Genscher warns on 'neutralism'

BY JAMES BUCHAN IN BONN

HERR Hans-Dietrich Genscher, the Free Democrat Foreign Minister in West Germany's conservative-liberal coalition, yesterday warned of a "hidden neutralism" in the current debate on nuclear disarmament in the Federal Republic.

Without at any point mentioning the opposition Social Democrats by name, in a speech at Beckum yesterday, Herr Genscher made no attempt to conceal the targets of his wide-ranging attacks as the SPD and its Chancellor-candidate, Herr Hans-Jochen Vogel.

He went so far as to say that commitment to the Western alliance and a rejection of "bureaucratic socialism" were inextricably linked.

In discussing intermediate-range missiles in the European theatre, he repeated Bonn's support for a solution that would dismantle the Soviet arsenal entirely so that Nato need not go ahead with installing counterbalancing cruise and Pershing-2 missiles.

However, Herr Genscher said, should Moscow only partially reduce its nuclear potential, the West would install correspondingly fewer missiles, but this would only be "the second-best solution, a temporary answer."

Herr Vogel, most recently in a broadcast on Thursday night, has been calling for such a "radical reduction" on the Soviet side that Western stationing will be superfluous.

Herr Genscher bitterly attacked this position yesterday, arguing that even "in a reduced quantity," the Soviet missiles, "for which there is no American equivalent, present a menacing political weapon to detach Europe or, if the Germans were to act alone, the Federal Republic of Germany from the U.S.

"Such a detaching would end in neutralism" and eventually Germany would fall into the Soviet sphere, he said.

Herr Genscher also attacked proposals, which have been considered by the SPD, for an atomic-weapon-free zone in central Europe.

"An alliance which is geographically divided into zones of different security will certainly disintegrate politically, sooner or later," he said.

The Bonn Government yesterday published its rejection of such a proposal, from the East German Government,

THE Soviet Union yesterday announced details of a proposal tabled in Vienna on Thursday for Soviet and U.S. cuts in ground forces in Central Europe.

Mr Viktor Komplektov, Soviet Deputy Foreign Minister, said that under the terms of the offer, Moscow would pull back 20,000 soldiers and their weapons and Washington 13,000.

Soviet diplomats said the new element in the proposal was the idea that initial Soviet and U.S. cuts should go ahead without waiting to agree on what would happen in a second stage.

Giscard proposes missiles summit

A SPECIAL European conference on nuclear security issues attended by all heads of government on whose territories cruise and Pershing intermediate nuclear weapons are dueto be installed has been proposed by former French President Giscard d'Estaing.

The aim would be to define a common stance in face of U.S. queries over European policy and break through the impasse resulting from a U.S. position based on the zero option—the complete banning of intermediate range weapons both Russian and the U.S.

In an article in Le Monde yesterday, the former President says that while the U.S. is "right" in its aim, the zero option is judged by European opinion as of "improbable" value in negotiations.

In ex-President Giscard's vew, European states—in association with France which should attend such a conference in virtue of possessing its own nuclear deterrent — should reaffirm their commitment to the deployment of intermediate range weapons at the end of this year in line with the Nato 1979 "two-track" decision.

But the U.S. and Europe should also tell the Russians of their continuing willingness to negotiate towards the elimination of intermediate-range weapons.

M Giscard says the initiative for calling such a conference could lie with the President of the EC Council of Ministers

Japan in bid to boost China trade

By Jurek Martin in Toyko

JAPAN is ready to consider granting further government credits to China, but does not expect movement in solving its long-standing territorial disputes with the Soviet Union.

The twin strands of Japanese policy with its two powerful neighbours intertwined yesterday as a senior Japanese politician left for Peking, and as the Soviet Fisheries Minister conferred here with Mr Shintaro Abe, Japan's Foreign Minister.

Mr Susumu Nikaido, Secretary-General of the ruling Liberal Democratic Party, goes to China at a time when the People's Republic is believed to be cutting back on some major industrial contracts with Japanese suppliers. He is expected to offer an extra $4bn-$6bn (£2.6bn-£4bn) in government credits to boost Sino-Japanese trade.

Mr Vladimir Kamentsev, the Russian Fisheries Minister, who is here on the first visit to Japan by any Soviet Cabinet Minister since before the invasion of Afghanistan in 1979, raised few hopes of any early warming of frigid political relations between Tokyo and Moscow.

AP adds from Tokyo: Japan will continue with plans to dump nuclear waste in the Pacific Ocean, despite an international resolution this week calling for suspension of the dumping of all radioactive waste at sea, an official said yesterday.

W. German car market starts to pick up

BY JOHN DAVIES IN FRANKFURT

THE WEST GERMAN motor industry sees signs of improved demand, which it expects to lead to increased car production and less short-time working in the course of the year.

The glimmer of hope comes at a time when motor vehicle production in West Germany has been running 14 per cent lower than a year ago.

The industry federation said in Frankfurt yesterday that a high inflow of orders for cars for the domestic market in December had unexpectedly continued last month. Export orders for cars for other European countries were also improving.

However, commercial vehicles were still deep in recession, with no sign of an upturn in export orders.

New motor vehicle registrations in West Germany in January, announced in Flensburg yesterday, were up 3.5 per cent to 179,000 from the low level of a year ago.

Car makers believe that lower interest rates, competitive petrol pricing and the introduction of some new models have given a stimulus to the car market.

Improved car demand is expected to take several months to work its way through to production and jobs, which are both well down on a year ago.

Car production last month was down to 301,900 compared with 331,350 in January in the same month last year and commercial vehicle output was down to 23,400 from 27,065.

Total vehicle output of 325,300 was 14 per cent lower than a year ago, taking account of the number of days worked during the month.

Exports of 185,200 vehicles took 57 per cent of output last month, but exports per working day were 6.6 per cent down on January last year.

The number of motor workers on short-time rose 6.8 per cent during January to 157,568.

West Germany's motor industry, the world's third biggest after Japan and the U.S., has been struggling with a recession for more than three years. Motor vehicle production dropped below 4m in 1980 and 1981. It rose 4.3 per cent last year to 4.063m, mainly because of higher exports in the first half of the year.

THE possibility of new unrest in the French car industry loomed yesterday when the pro-Socialist CFDT union called for a strike at Renault's car plant at Flins, on Monday, in response to a management decision to dismiss three union representatives in the factory.

The three, all immigrants, are to have their case heard by the works council on Monday. Renault can still back down before asking for the decisions to be confirmed by the Labour Ministry.

The CFDT representatives are accused of encouraging violence in the strike last month which cost Renault some 40,000 cars. The Communist-led CGT union has also called for a two-hour strike at Flins on Monday.

Iran halts its latest Gulf war offensive

BY OUR FOREIGN STAFF

IRAN'S latest offensive in the Gulf war appears to have been halted, with Tehran claiming to have occupied 160 square miles of Iraqi territory.

Mr Hashemi Rafsanjani, the Speaker of the Iranian Parliament, said yesterday that Iranian forces had successfully achieved their objectives and had penetrated Iraqi territory to a depth of 12 miles before withdrawing.

Despite earlier Iranian claims that the offensive launched on February 6 was to be the decisive battle of the 28-month war, Mr Rafsanjani said the latest fighting had in fact been only "a preliminary step".

Iran's primary declared objective is the overthrow of the Ba'athist regime in Baghdad headed by President Saddam Hussein.

Other officials in Tehran said yesterday that 360 square miles of Iranian territory was still in Iraqi hands. This included the oil-producing region around Naftshahr.

Iraq has said that over 15,000 Iranians were killed during the battles of the past 10 days and a further 1,000 taken prisoner. Western observers suggest, however, that no more than 5,000 men from both sides died during the offensive.

Danish coalition suffers setback over sanctions

BY HILARY BARNES IN COPENHAGEN

THE DANISH non-Socialist minority coalition Government failed yesterday to obtain a mandate from the Folketing's (parliament) all-party Market Affairs Committee to renew sanctions against the Soviet Union.

The EEC imposed sanctions against the Soviet Union under Article 113 of the Treaty of Rome in order to bring pressure to support the process of democratisation in Poland.

In order to renew the sanctions policy, the Government will now have to present a Bill to the Folketing imposing sanctions as a national measure.

Mr Uffe Ellemann-Jensen, the Foreign Minister, said the Government will put forward a Bill next week. The current sanctions policy expires on March 1.

The Social Democrats argue it is not correct to use the Treaty of Rome trade clause to undertake what is essentially a political measure.

It was not clear yesterday whether the Social Democrats will vote for continued sanctions when the Bill is presented. If the Social Democrats vote against the sanctions policy, the Government would no longer have a majority, although, if the party abstains, the Government would still be sure of its majority.

Eximbank set to increase loans

BY NANCY DUNNE IN WASHINGTON

THE U.S. Export-Import Bank is prepared to increase its exposure in India, Thailand and Indonesia from $1.2bn (£800m) to $4bn if projects currently under negotiation go forward, according to Mr William Draper, Eximbank president.

Mr Draper, recently returned from Asia, addressed Eximbank's annual banker's conference yesterday.

"There is no set limit to the amount of financial support we will provide to help U.S. companies compete for sound projects in well-managed developing countries," he said. The financing would be in the form of both direct credits and loan guarantees.

Among the projects being considered are: A major thermal power project and coal mining project in India; oil field development, fertiliser, lignite mining and power projects in Thailand; thermal and geothermal power projects, diesel generators, locomotives, a petrochemical complex and an alumina project in Indonesia; and new-generation aircraft in each of these countries.

Mr Draper said a Treasury-Eximbank negotiating team has already begun holding informal bilateral meetings with individual OECD representatives in preparation for official preliminary talks involving all member-nations, to begin on March 1 in Paris.

In the talks, the U.S. is pushing, as in the past, for a fluctuating interest rate system linked with each currency's market rates.

The U.S. is also expected to ask for a limit on direct credit support for exports to nations classified by the OECD as "relatively rich"

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Polish output increases 18%

By David Buchan

POLISH industrial output last month was 18 per cent higher than in January 1982, but fell 4 per cent below December's production level because of fewer working days last month, according to official statistics published in Warsaw.

The sharp increase compared to the period immediately following the December 1981 imposition of martial law was not unexpected. But it does mean that Polish industry has now roughly regained its 1980-1981 level of activity.

Trybuna Ludu, the Communist Party newspaper, noted yesterday that at least "we no longer say we are moving backwards, but forwards."

UK NEWS

Bill to give reply rights in media is defeated

By Kevin Brown

A BILL providing a statutory right of reply in newspapers and on television and radio failed by just 10 votes in the Commons yesterday.

The Right of Reply in the Media Bill, introduced by Mr Frank Allaun, a former journalist, was supported by 90 MPs with only seven voting against. But it fell short of the 100 votes needed for a private members' Bill to proceed.

In spite of opposition from the Home Office, Mr Allaun's proposal drew wide cross-party support, with six Labour MPs and six Conservatives among its sponsors.

The Bill would have given a right of reply to anyone referred to in a report which he or she had "reasonable grounds for considering to be factually inaccurate or distorted." Newspapers would have had to publish replies within three days of the complaint in a position as prominent as the original report. Disputes would have been resolved by a panel headed by a judge, backed up with fines of up to £40,000 for non-compliance.

The detailed provisions of the Bill attracted less support than its principle, which Mr Allaun, the left-wing Labour MP for Salford East, said was "to protect individuals, organisations and companies against unfair, ill-founded and inaccurate reports."

But opponents as well as supporters warned that pressure for legislation would continue to grow if the press, particularly the Fleet Street tabloids, failed to put their own house in order.

Mr David Mellor, Under-Secretary at the Home Office, said the Government preferred to rely on the Press Council and the "potent forces" of public opinion to restrain excesses. But he warned that if the public lost face in the self-regulating mechanisms of powerful newspapers, "the demand for external statutory controls may become overwhelming."

The Bill was backed by Mr Roy Hattersley, the shadow Home Secretary and Guardian columnist, who said it was "wholly desirable" although "largely unworkable." It is not possible to read tabloid newspapers and come to the conclusion that there will be a sudden desire to improve their standards and change their conduct," he said.

Mr Jonathan Aitken (Con. Thanet East), a former journalist and member of the Beaverbrook family, said the Bill was deeply flawed. But he told MPs: "Today's debate has been a useful safety-valve and it has been a warning to the media that it has to do something to put its own house in order."

Sales of Irish spirits to Ulster up 20%

By Brendan Keenan in Dublin

SALES OF Irish whiskey, gin and vodka to Northern Ireland rose 20 per cent by volume last year. Much was smuggled back into the Republic of Ireland, it is thought. The price differential is almost £40 a case. Smuggling's extent is partly reflected in the republic's 10 per cent drop in recorded consumption.

The figures were given at the annual meeting of Irish Distillers, which makes all the republic's leading brands. In spite of its dominance, however, Mr Frank O'Reilly, chairman, said smuggling was of concern to the company.

Retiring as chairman after 17 years, he said: "It results in loss of revenue to the state, affects the balance of payments and disrupts our trade with our valued customers north and south."

Irish Distillers is performing well in export markets. It expects higher profits for the year to September and higher dividends are expected. Shares, 51p 12 months ago, are at a three-year high of 111p.

Scotch Whisky downturn, Page 14

VAT change for pension funds

By Eric Short

CHANGES in VAT procedures will mean considerable tax savings for employers operating company pension schemes.

In the past, the employer and the trustees of the pension scheme have been treated as separate entities for VAT purposes. The employer could only offset VAT on expenses incurred in setting up the scheme or amending the trust deed.

Under the proposed change, from April 1, 1983, employers will be able to offset VAT on day-to-day administration expenses, such as collection of contributions and payment of benefits, but not on the costs of investment of the fund's assets.

The changes have been announced by the Customs and Excise Department following representations from the National Association of Pension Funds.

Private cleaning 'could save NHS £40m a year'

BY LISA WOOD

THE National Health Service could save £20m to £40m of about £400m spent annually on cleanings hospitals if private contractors were called in, it was claimed yesterday.

Mr Eric Green, chairman of the Contract Cleaning and Maintenance Association, was commenting on government plans for health authorities to put hospital catering, laundry and cleaning services out to competitive tender in order to test costs.

These services cost the Health Service about £800m a year. The cleaning of hospitals cost £391m in 1981-82.

Mr Green said his association had started discussions with the Government in the late-1970s to find out "in an informal way" whether association members could provide domestic services for NHS hospitals.

About 18 months ago the association formed a health care services section. This drafted a code of practice. More than 60 association members signed this code. The code will be sent on request to health authorities seeking names of cleaning companies to which they may wish to put services out to tender.

Mr Mike Davis, chairman of the health care services section, said: "We have imposed a strict code of practice on our members. It stresses the need to provide an efficient but caring service in this sector, which calls for the highest standards of professionalism and cleaning skills.

The association said private contractors placed great emphasis on high productivity through modern cleaning techniques and staff management training.

Mr Davis said substantial savings had been made aready in Britain's military hospitals. There private contractors were called in by the Defence Ministry. He believed savings had been greater than 25 per cent and in some cases up to 40 per cent.

Mr Green, who said he would welcome discussions with Health Service Unions, said: "We would be prepared and like to use staff employed by health authorities. What we cannot guarantee is the use of the same number of people."

The association said private contractors would not always be able to provide a cheaper service. What was happening was they were being put to the test.

Commenting on union reaction Mr Davis said the draft circular made clear there would be be a proper period of consultation before tenders were invited.

The association said it would take several years before any really large penetration was made by private contractors into the provision of non-medical hospital services.

It envisaged private contractors extending into services currently done by ward orderly staff, such as washing-up and distributing meals.

● The British Hotels Restaurants and Caterers Association said it welcomed the Government's initiative and its intention to refund VAT so that fair comparisons could be made between an authority's own staff and contractor operation.

● Mr Norman Fowler, Health Minister, visiting Coventry yesterday, said he was not trying to dismantle the NHS. "I would have thought I had made this quite clear in my Commons statement," he said.

BA chief plots recovery course with major marketing campaign

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR COLIN MARSHALL, who took up his duties as chief executive of British Airways, on February 1, has moved swiftly to set the airline on a course for sustained profitability with a major marketing drive.

Mr Marshall's business background in the Sears Holdings Group and formerly also with Avis and Hertz car rental, is concentrated on marketing. He appointed Mr Jim Harris, currently head of BA's UK passenger and cargo sales, to head a top-level marketing team whose brief is to boost revenues.

BA earns close to £2bn a year in passenger and cargo revenues, but needs much more to offset rising costs. Losses in 1981-82, including special items, amounted to £544m.

Mr Harris, who will also retain his present post, said yesterday that the new organisation would be a development of the present system.

"We are not setting up a 'Think Tank.' We are going to be taking practical decisions and we shall have to live with the consequences," he said.

"There will be no empire-building. The new organisation will be very slim, since that is the way to get swift decisions. We now have a fundamentally different way of tackling how to sell our airline's services.

"Basically, we are selling a similar service to that of our scores of competitors. At a time of great over-capacity the way to success is to meet the needs of our customers better than anyone else does."

Mr Harris's team will be Mr Stuart Luxon, group leader responsible for marketing services; Mr Terry Grew, responsible for cargo marketing; Mr Paul Hopper, responsible for distribution and passenger services; and Mr Peter Owen, taking over marketing development and research.

They will collectively devise marketing policies world-wide, which the rest of the airline will be required to follow.

Airline supplies group formed

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A GROUP of catering equipment supply companies have formed a consortium to provide airlines with a wide range of in-flight products. The market is worth millions of pounds a year.

Two of the companies have already been named — Bacofoil and Basildon Moulding — and the names of the others are expected to be announced soon.

The consortium will provide catering equipment such as cups, saucers, plates, cutlery and other items, both disposable and reusable. It aims to retain orders from UK airlines against tough international competition, and also bid for export business.

A potential £1.5m contract from British Airways which appeared likely to go to The Netherlands is being put out to tender by the airline and is being sought by the consortium. Discussions are also being held with other major UK airlines.

Mr Alan Gunter, marketing director of Basildon Moulding, said yesterday that in the past British Airways had "flown the flag" by buying British catering equipment.

"We believe that this policy should continue, since the consortium can supply at a totally competitive price and also offer a full and very rapid service which includes the back-up facilities."

The supply of in-flight catering equipment has previously been fragmented, with each specialist manufacturer and supplier bidding for contracts for its range of products.

The consortium aims to change this enabling airlines to buy from one central source.

It says cost savings will be passed on to the airlines, which in turn will benefit from competitive prices and savings in their own costs through having a central source of supply for most, if not all, of their in-flight catering equipment needs.

Lloyd's looks at agency's links

BY JOHN MOORE, CITY CORRESPONDENT

OFFICIALS of Lloyd's, the insurance market, are conducting an informal fact-finding inquiry into the affairs of one of its underwriting agencies, Edward Williams Coutts & Partners.

Mr Alan Devlin, a director of the agency, said yesterday that the regulatory investigative unit at Lloyd's had been given certain information and "obviously they have to look into it."

Edward Williams Coutts looks after the affairs of about 600 members of Lloyd's and is an independent agency company. It runs one of the largest of those syndicates of Lloyd's members which specialise in the insurance of general or non-marine, insurance business.

It is understood that Lloyd's is studying the relationship of three of Edward William Coutts' executives with a company called Orbells, an insurance consultancy which is controlled by the three executives.

It is also examining the relationship of Orbells with Nicholas Reinsurance, an insurance and reinsurance company in which Orbells has a shareholding, and the relationship of Orbells with Nicholas Securities.

The regulatory investigative unit at Lloyd's, which has just been set up to help with inquiries into the affairs of Alexander Howden and Minet, confirmed that it was looking at the matter yesterday.

Mr Devlin said letters would be going out to underwriting members and agents early next week together with "all our disclosure statements."

The agency intends to circularise all the syndicate's members with details of all the related companies in what must be the first extensive disclosure of this type at Lloyd's.

Mr Devlin said the only benefit that the three directors who had been associated with Orbells had derived from the relationship was £1,500 each in the form of directors' remuneration. In the last accounts for 1981 no dividend had been paid.

He added that the relationship with the other companies meant certain expenses which might have otherwise been charged to the members of the Lloyd's syndicate were charged to those other companies.

TSB Scotland chooses Glasgow base

BY OUR BANKING CORRESPONDENT

TSB SCOTLAND, the bank being formed through the amalgamation of the Scottish savings banks, will be based on Glasgow, but it also plans to set up a specialist banking division in Edinburgh.

Mr John Lowrie, deputy chairman of the steering committee for the bank, said that with half the population of Scotland clustered around Glasgow, it made a sensible choice.

However, many bankers regard Edinburgh as Scotland's financial centre, and TSB Scotland hoped to get the best of both worlds by establishing a banking operation there too.

The bank is anxious to win full recognised banking status as soon as possible.

The siting of TSB Scotland's headquarters has caused considerable debate among the Scottish savings banks, and Peat Marwick Mitchell, the management consultants, were hired to advise on where the base should be.

The Glasgow office will be located in the existing headquarters of the West of Scotland TSB and will have a staff of up to 200.

The Edinburgh office, which will deal with the clearing operation and wholesale banking, will have a staff of 30 to 40.

TSB Scotland will be formed on May 20. It will rank fourth in size among the Scottish clearing banks, with assets of £1.2bn, 2,500 staff and 286 branches. But it will have the biggest personal customer base: one in four Scots have a TSB account.

Mr Tony Davidson, general manager of the Tayside and Central Scotland TSB, and Mr David McLean, deputy general manager of the West of Scotland TSB, will form the nucleus of the new management team, along with Mr John Lowrie. Mr Ian MacDonald, shortly to retire as executive director of the Hongkong and Shanghai Bank, will become chief executive.

Ship sank because she was not repaired

BY OUR LAW COURTS CORRESPONDENT

A GREEK - registered cargo vessel was traded with a view to maximising its earnings at the cost of a proper maintenance programme, a Commercial Court judge said yesterday.

Mr Justice Hobhouse held that the 11,522 dwt Torenia, which sank in the Atlantic in April 1979 with the loss of her £1m cargo of raw sugar, had been weakened by corrosion over several years.

The Danish cargo owner, Aktieselskbet de Danske Sukkerfabrikker, was awarded £1,017,232 damages against the vessel's owner, Bajamar Compania Naviera, a Panamanian company.

Bajamar's claim to limit its liability under the Merchant Shipping Acts, on the ground the loss did not result from the way it managed its business, was rejected by the judge.

Commercial considerations were paramount for the owner, which saw maintenance and repair only as a means of achieving the aim of profitable operation, he said. Its attitude to the loss of four of its 17-ship fleet in 1978 and 1979 was almost one of indifference.

The Torenia started taking water while on a voyage from Cuba to Denmark. Her master thought she was going to capsize and abandoned ship.

In fact, she remained afloat for another four days, in which she was photographed from another ship and seen to have a 10 metre to 15 metre crack in her side.

Bajamar asserted that the vessel had been seaworthy and was lost through a peril of the sea, "the fortuitous incursion of seawater."

The judge said she was unseaworthy and had been abandonned because of her master's lack of confidence in her structural soundness.

The evidence was that she had been affected by corrosion over several years and that the general practice of her owner and of Franco Compania, her manager, both of which were under the same control, was to defer repairs until forced to carry them out.

Decks and bulkheads appeared to have been allowed to become holed before anything was done, the judge said.

He criticised the owner for cynical non-production of documents about the Torenia and viewed with grave suspicion Bajamar's evidence about the vessel's condition and maintenance.

OFT to probe TV advertising discounts

By David Churchill, Consumer Affairs Correspondent

THAMES TELEVISION'S policy of granting special discounts to certain advertising agencies is to be investigated by the Office of Fair Trading under the terms of the 1980 Competition Act.

The investigation, announced yesterday by the OFT, has significant implications for the relationship between the media, advertising agencies and advertisers over the buying and selling of advertisements.

The move follows complaints by the J. Walter Thompson advertising agency —one of the largest in the UK—that Thames was operating a discriminatory policy in granting discounts to certain agencies.

It is alleged that Thames was granting special discounts to agencies which spent 65 per cent of their television advertising budget in the London area with Thames.

J. Walter Thompson says it has refused to devote such a proportion of its television advertising specifically to Thames because it believes it is not in its clients' interest to place commercials with a particular station solely because extra discounts are granted to the agency.

The OFT has become worried that Thames's policy could have repercussions on competition for advertising in the London area.

Its concern stems largely from the monopoly position enjoyed by Thames in the supply of television advertising time on the main ITV network during the week. London Weekend Television takes over the franchise at the weekend.

The OFT believes Thames's discounts policy may be aimed at restricting the amount of revenue available to LWT. It could also be argued that Thames is using its market power to encourage advertisers to spend more than they otherwise would, or to take advertising away from the press and other media.

The OFT is also concerned about the practice of restricting discounts to factors unrelated to costs or quantity.

Following J. Walter Thompson's initial complaint to the OFT last summer, the Independent Broadcasting Authority intervened and appeared to rule out the discriminatory discounts being offered by Thames. However the OFT believes Thames is still offering special discounts to certain agencies without formally publishing them.

The investigation is likely to prove a test case for other discounts offered by advertising agencies, and is being closely watched by the advertising world, newspapers, and television.

The OFT's investigation is likely to last several months and could be followed by a further probe by the Monopolies and Mergers Commission to determine the public interest issues involved.

Thames said yesterday it could not comment because of the repercussions for the rest of the advertising industry.

Soviet cruise lines 'agree to cut UK market share'

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH CRUISE ship operators said yesterday that their Soviet rivals, who have recently won a large slice of the UK market, agreed this week to cut their capacity in 1984.

The size of the reduction was not specified, but the General Council of British Shipping said UK companies took the "firm view" that Soviet capacity would be down next year.

Involved in the talks on the British side were P & O Cruises, Cunard, and the GCBS. CTC Lines, the British agent for Soviet vessels, was not able to comment last night.

The UK companies will not know until the Soviet brochure comes out in a few weeks just how far they have been prepared to cut capacity. CTC has disputed claims of the size of its market share.

British cruise operators said that the Soviet lines offered 53 cruises out of UK ports last year against 25 in 1980, with their share of the UK market up from 14 per cent (13,130 berths) to 26 per cent (21,400).

CTC, however, said its share was about 12 per cent. The GCBS said yesterday that contacts between both sides would continue to ensure that future capacity is aligned to demand.

Soviet sailings for 1983 will be up on last year. CTC said earlier this week ahead of the talks that it did not want artificial quotas to restrict passenger choice.

CTC also said that it planned some £20m of refitting in UK yards for four ships. Unfair restrictions, it added, "may place these valuable orders in jeopardy."

The GCBS replied yesterday that it had noted this "blackmail threat" and made quite clear to the Soviet Lines that the UK industry would not respond to such an approach.

Talks continue on salary for steel industry chief

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

NEGOTIATIONS ON the salary and other benefits that would be paid to Sir Alastair Frame for the post of chairman of the British Steel Corporation are likely to continue till well into next week.

Unless some last minute hitch arises, an announcement will then be made that he will give up his job as deputy chairman and chief executive of Rio Tinto-Zinc to take on the steel chairmanship in June or July.

He will succeed Mr Ian MacGregor who is now negotiating terms with the Government to transfer to the chairmanship of the National Coal Board in July.

Yesterday Sir Alastair confirmed that he had been "approached" by the Government about being chairman of BSC. He said that no decision had yet been made.

AT RTZ he is thought to have a salary of about £90,000 a year, although the company would not confirm this yesterday. The annual report of RTZ for 1981 says its highest paid director was on £92,000 and that three more board members earned between £60,000 and £65,000.

The Government is prepared to offer special inducements to attract the chairmen it wants for state industries so it may be prepared to offer more than the current going rate of about £60,000 for the job.

Sir Alastair's expected appointment raises a question about the future of Mr Bob Scholey, BSC deputy chairman, who was recommended for the chairmanship by Mr MacGregor. This will be the second time that Mr Scholey, who is 61, has been passed over for the chairmanship.

E. Anglia penalised on regional aid, say councils

BY KATRINA LOWE

EAST ANGLIA's population is growing much faster than its regional grant aid, according to a report produced by local authorities in the area.

The councils, which have been campaigning about the grant allocation to East Anglia for many years, claim that fast-growing regions are discriminated against under the Block Grant system, introduced in April, 1981.

The East Anglian Consultative Committee (EACC) says in its 1982 annual review that the region has the fastest-growing population in Britain, mainly because of people moving there to retire.

to retire. But government grants are calculated on the basis of figures up to two years out of date.

The report disputes the Government's claim, made when the system was introduced, that it would place less emphasis on expenditure as a measure of means. As the lowest-spending region in Britain, with spending £107-a-head less than the national average, "the East Anglian local authorities' traditional thrift is working against them," says the report.

Unemployment in the region stands at 11.3 per cent compared with the national average of 14 per cent. In the 18 months to March 1982, jobs in the region fell by almost 10 per cent.

With a record number of school leavers in September, unemployment among young people is high—and would be higher but for increased places on Manpower Services Commission training schemes. Those under 24 form nearly 40 per cent of the region's unemployed.

The report points out that less than 10,000 houses were built in 1981 in the region—the lowest figure for many years. The trend continues in 1982: there were about 1,000 local authority starts in 1981, and 600 completions in the first half of 1982.

In the private sector there were more starts although completions were about the same as in the corresponding period of 1981. In both sectors 1982 starts (January-June) are well up on 1981, however.

Court quashes injunction on brokers

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

COMMODITY brokers Wilson Smithett & Cope have defeated in the Court of Appeal an attempt to stop them operating a client's bank guarantees.

The court refused to grant Shirlett & Tudor Estates continuation of a temporary injunction granted last August stopping the brokers claiming on guarantees issued by Manufacturers Hanover Trust and Barclays Bank.

Sir John Donaldson, Master of the Rolls, said that under an agreement made early last year, the brokers were entitled to require security for possible losses on transactions, they entered into on Shirlett's behalf.

The agreement was heavily loaded in the brokers' favour, entitling them to close out positions with or without notice.

On June 17 the commodity markets had one of their "spasms", when prices changed rapidly. During the morning the brokers' potential liability in respect of Shirlett's transactions exceeded their security by about $120,000 (£78,000).

Shirlett contended that it had then been orally agreed that the brokers would take no action to close out until between 5 pm and 6 pm that day. But at 4 pm the brokers closed out some of Shirlett's positions, leading to a very substantial loss.

Shirlett had sued, alleging breach of contract, and the question was whether there should be an injunction stopping the brokers claiming on the guarantees pending trial.

Shirlett argued that if there were no injunction considerable embarrassment would be caused to it and the two banks, which would be in a quandary about whether they were liable under the guarantees.

The judge observed that if banks issued such guarantees they must appreciate the risks, and if the risks came home to roost, the banks could hardly regard their customers as responsible.

The brokers' contention was that they entered into the agreement with Shirlett on the basis that they would have certain rights, including rights in respect of the guarantees, and that there were no grounds for preventing them from exercising those rights.

Since August the brokers had been restrained from operating the guarantees, and interest was accruing on sums that already exceeded the limit of the guarantees.

The balance of convenience was heavily in favour of not continuing the injunction, Sir John concluded.

Bidding for growth second time around

BRIAN BEAZER is careful not to build up too much hope on his company's £15.8m bid for Second City Properties.

But he find grounds for encouragement in the non-commital wording of Second City's reply to the bid from his Bath-based housing and materials group, C. H. Beazer (Holdings).

"This is not what is called a rejection. It's a holding statement," says Mr Beazer, holding up the document put out by Second City in response to the bid.

Second City, a Bilston, West Midlands, property developer, and its advisers, Samuel Montagu, merely note that no formal approach has been received. They say the merits of Beazer's bid can be assessed only when they have had a chance to study the offer documents, which must go out in the next 28 days.

Mr Beazer is doubly keen for the deal to go through. His company's previous take-over bid—for the Brighton-based group R. Green Properties — was

Charles Batchelor talks to the man behind Beazer's new takeover move

topped last month by Throgmorton Trust which offered £16.5m — £2.8m more than Beazer.

"It is like comparing a cream cake with a joint of beef," Mr Beazer says of the two deals. "Green had 15 employees, turnover of £4m a year and built 50 houses a year.

"Second City employs 300 people, has turnover of £18m and builds 650 houses a year."

Unfortunately for Beazer, Green commissioned an outside valuation of its assets which turned up a value of 157p per share compared with Beazer's offer of just over 112p—and Throgmorton leaped in.

A link-up between Beazer and Second City would produce a company building almost 2,000 houses a year. And it would put Beazer in about seventh place in the UK housebuilding league, Mr Beazer believes.

The deal would also create a group with a broad geographical spread in the South and Midlands, the wealthiest parts of the country.

"I do have a yen for housebuilding. My family started out as builders in South Gloucestershire in 1850," says Mr Beazer, 48.

He is the sixth generation to be involved in the company, which he joined from school in 1956. Then, it was a prosperous, small company building 70 houses a year and undertaking the occasional property development.

Since then, the company has expanded to encompass 25 significant operating companies engaged in five main areas—property, building, building materials, engineering and specialist activities, which include prefabricated buildings, timber engineering, kitchen equipment and plastics.

Pre-tax profits rose to £4.04m in the year ended June 30, 1982, from £631,000 five years earlier on turnover up to £48m from £11.7m.

"We are trying to build a conglomerate which covers the whole of the building and property industries by acquisition and organic growth," says Mr Beazer.

Five years after he rose to become managing director of the company, in 1968, the group went public. The Beazer family still holds about 20 per cent of the company's equity.

But Mr Beazer is likely to be the last of the family to have a direct involvement in the company. He says the chances are that his daughter will not follow him into the company. "In a group of our size nepotism is out of date."

Mr Beazer says he began looking at both Green and Second City at about the same time.

Now the Green bid has fallen through, he says he has looked at every building in the Second City portfolio and to have valued each one personally.

He wants Second City for its property development expertise but describes its profits record as "solid rather than exciting."

Pre-tax profits hovered at about the £1m mark in the late 1970s, rising to £1.2m in 1980, £1.3 in 1981 and rising more strongly to £1.5m last year.

Second City has been the frequent subject of bid speculation in recent years, though nothing happened until Beazer came along. Mr Beazer is hoping that none of the many companies which are believed to have looked at Second City now emerge with a counter bid.

Council polls Bill rejected

By Kevin Brown

THE LORDS yesterday rejected a Bill introducing proportional representation in local government elections. Peers voted 68 to 60 to drop a private members' Bill introduced by Lord Harris of Greenwich, Social Democrat.

He said the case for single transferable vetting (STV) at local level was overwhelming.

UK NEWS—LABOUR

Policy group urges strike ban in essential services

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE GOVERNMENT should introduce legislation to outlaw strikes in a range of essential services in return for index-linked pay and other benefits, according to the right-wing Centre for Policy Studies.

The proposal is made in an unpublished memorandum prepared for the Centre's trade union reform working party by Mr Lionel Bloch, a solicitor. Expanded proposals, including a greater emphasis on sanctions against those breaking no strike agreements will be examined next week by the group and it will probably be endorsed by a full meeting of the committee on March 16.

Suggestions from some newspaper reports of sections of the document yesterday that the proposals would form the basis of a forthcoming White Paper for early enactment were rigorously discounted yesterday in Whitehall. Even though Mr Norman Tebbit, Employment Secretary, this week again floated the idea of such agreements, the current emphasis is on internal trade union democracy.

The document makes specific reference to the current water strike. It says: "The strike of the water workers has illustrated that there are always compelling reasons for curtailing industrial action."

The paper recommends that the Government deal with the issue boldly by means of an Act (which would draw together the various provisions in no-strike agreements in laws between 1875 and 1971). It states: "Such an Act should first of all specifically prohibit strikes in the police force, the ambulance service, the fire brigade, nurses and or medical staff, gas, water, electricity, nuclear power, and sewage workers."

Also it suggests detailed provisions for compulsory arbitration in these areas.

The main suggestion is for index linking plus a specified percentage increase per annum, but also higher pensions coupled with a forfeiture of these additional benefits in the case of a strike.

The centre accepts that this will have an inflationary effect but says, "this is the price we ought to be prepared to pay to secure peace in essential services."

Managers warn on choice for NCB head

BY BRIAN GROOM, LABOUR STAFF

THE UNION representing managers at the National Coal Board yesterday made clear its disapproval of the likely appointment of Mr Ian MacGregor, the 70-year-old chairman of the British Steel Corporation, as the NCB's chairman when Mr Norman Siddall retires at the end of June.

The executive committee of the British Association of Colliery Management, which has 17,000 members, said the next chairman "must be of an age that will enable him to take the industry through the present short-term difficulties while at the same time maintaining the impetus of the longer-term plan.

"It is our contention that such people of proven ability exist within the ranks of senior management in the industry."

Mr MacGregor is said to believe that the NCB is inefficient and a drag on the economy, and that unlike other nationalised industries it has not improved its performance much in the recession.

BACM said it remained committed to an efficient and expanding coal industry as laid down in the 1974 Plan for Coal, which still provides the industry's formal guidelines.

Unions 'must agree' on attitude to youth training

BY IVO DAWNAY, LABOUR STAFF

UNIONS must reach agreement over the next year on their attitude to the new Youth Training Scheme and its role in the existing apprenticeship system, Mr Ken Graham, TUC assistant general secretary told a TUC youth conference in London yesterday.

The key question for the unions is whether the YTS—due to be fully operational by September—should develop into a common foundation year for all 16-year-olds recognised as providing the first year of apprenticeship training, he said.

The dangers of giving such recognition centred on employers using the scheme to "cream off" young people for both apprenticeships and other skill training beyond the YTS foundation year.

Alternatively, however, many thought that the foundation-year system would challenge academic examination results as the key to determing their futures.

If unions did accept the principle of YTS as a common foundation year, they would have to insist on the right to negotiate apprentices' pay and conditions.

Equity deal with U.S.

BY IVO DAWNAY, LABOUR STAFF

EQUITY, the actors' union, has reached a broad understanding with its American counterpart over procedures for assessing whether actors and theatre companies may perform in each others countries, the two unions said yesterday.

The understanding was reached after a week of talks in London last week between officials of the two unions.

Under the agreement, both unions have agreed to develop a new system of exchanging information including monitoring statistics on performances by foreign actors in each country.

The unions will also appoint officers specifically for the task of examining exchange deals by actors and companies. Exchange arrangements — demonstrated by a recent deal allowing the Royal Court company to perform in New York and the New York Shakespeare Festival to visit London — will be actively encouraged.

While there are few problems in allowing established "star" actors to perform in either country, a new move to let lesser-known "featured performers" work in Britain or U.S. is under way.

Wage cut call is 'made'

BY OUR LABOUR STAFF

THE RECENT spate of pay-cut demands continued yesterday, leaders of more than 180 manual workers at Tetherworth Engineering, Chesterfield, said they had been told to take wage reductions of up to £28 a week or face 30 redundancies.

This follows acceptance of a 9.8 per cent cut in basic rates by Hyster workers at Irvine, Scotland, and ICI's call for more than 1,000 workers at Hyde, Greater Manchester, to accept reductions of 8 per cent to 21 per cent.

Mr Michael Caulfield, works convenor at Tetherworth said the workers intended to "fight the proposed wage cuts all the way.' Company management was unavailable to confirm the proposed reductions.

Mr Caulfield said: "Many of us are already on short time and although skilled men can earn as much as £140 a week, an unskilled man gets just £89."

Mr Caulfield said that the company, which makes mining and quarrying machinery, had recently gained orders worth £2.25m and had made £150,000 profit last year.

Nursing College fear over NHS plans

By Our Labour Staff

CONCERN over the Government's plans for the National Health Service was expressed yesterday by Mr Trevor Clay, general secretary of the Royal College of Nursing.

Speaking on the day after Mr Norman Fowler, the Social Services Secretary, called on health authorities to contract out non-medicad services, Mr Clay warned that nursing staff should be "very suspicious" of the Government's NHS policies.

Widespread privatisation and its effects on budgets could have serious consequences for trained staff, he added.

Mr Clay also said that the RCN would be joining several other professional groups—including the British Medical Association and the Institute of Health Service Administrators—to discuss their fears, particularly on staff levels.

The RCN was keen that the Government proceeded quickly in publishing its consultative document on nurses' pay, agreed at the settlement of last year's eight-month NHS dispute.

Industrial action threat over ships radio plan

By Brian Groom, Labour Staff

The 3,000-member Radio and Electronic Officers' Union said after an emergency executive meeting yesterday that it planned industrial action against any company which accepted the Government's offer of permission to sail without radio.

Mr Iain Sproat, Shipping Minister, has said he will allow Christian Salvesen to operate seven dry cargo ships on the UK east coast trade without radio officers for a nine-month trial, which may be extended for a further 12 months.

The Minister also invited requests for similar exemptions for comparable cargo vessels engaged in coastal operations and occasional voyages to nearby foreign ports.

Shipowners believe radio officers have become redundant on short sea routes because of advances in technology.

Leaders of the union plan to meet Christian Salvesen next week. If the REOU fails to stop the experiment going ahead, it may escalate into a national dispute involving all members of the General Council of British Shipping.

The union's specific plans have not been disclosed, but in the first instance they may involve blacking of any Christian Salvesen ships which sail without radio officers.

Offer to printers

THE Newspaper Society, the provincial newspapers' employers' body, yesterday offered negotiators for 17,000 print workers flat increases of £3.06 and £3.50 on basic rates ranging from £92 to £113 but conditional on the unions dropping a series of demands. Talks resume on Tuesday.

THE WEEK IN THE MARKETS

Newcomers take limelight

LONDON

ONLOOKER

Trading in the London stock market this week was very much pinned down by the two major new issues: Associated British Ports and Superdrug. With possibly £2bn tied up in this way equities had a very indifferent few days before yesterday's close of the three-week account.

Apart from a small rally on Tuesday, following Wall Street's intra-day rise to a record 1100, the FT Industrial index edged back from the previous week's record of 662.5, to finish up 25.9 on the account at 645.9.

Gilts took some benefit from statements about U.S. monetary policy together with the continuing prospect of lower international interest rates and a steadier pound which finished the week at $1.5425 with the trade-weighted index down 0.2 at 80.7.

But the limelight was grabbed by the new issues. A more than 33 times oversubscription for shares in the country's largest port operators, ABP, stoked up the privatisation debate, and provided a touch of farce with a 24-hour delay to trading because of a Post Office mistake over the delivery of allotment letters.

ABP's shares closed the first day at a 26p premium at 138p.

Superdrug, the High Street drug supermarket chain, then took the stage with a more stunning oversubscription level of 95 times as investors put up close on £1.5bn for a taste of the action.

Amid the excitement Magnet & Southerns, the joinery and timber merchant, slipped in with what some regarded as a cheeky one-for-eight rights issue to raise £28m. It came without the usual reasons of a need to reduce borrowings or sights on a major purchase.

Instead, the company, whose share performance has been strong in recent years, says it wants the money to fund the extra working capital needed for growth, after three years of near static sales and profit.

Hanson enters ring

The sudden entrance of Hanson Trust, turning the struggle for control of UDS into a three-cornered contest, illustrates once again Hanson's fine sense of timing and price.

Its terms, couched as they are in equity, will obviously vary in value from day to day as the Hanson share price fluctuates but at the latest price of about 120p per share it has not taken very much to outweigh the 114p cash offer from Bassishaw Investments and to win the approval of the UDS board.

As for Hanson's timing, it pitched in just at the moment when UDS was considering Bassishaw's improved offer and when it appeared that UDSs lengthy resistance to the consortium's overtures was beginning to waver. Neither side will confirm it, but it looks very much as if a little horse-trading to elicit a few more pence for shareholders might have carried the day for Bassishaw.

Enter Hanson, however, with five-for-eight share exchange terms. Despite Hanson's powerful cash balances the bid is in equity because it will give UDS shareholders an opportunity to maintain a stake in the planned revitalisation of the drapers' lacklustre trading performance.

The other thought that arises is that Hanson is using its highly valued paper, priced before the bid as about four times net asset backing, to buy a business whose assets are substantially discounted by the UDS share price, even at about 120p.

Where all this leaves Burton Group is not so clear. Burton was on the verge of carrying off the High Street coup of the year by purchasing UDS's John Collier and Richard Shops chains for £78m, payable either in cash or shares. The two chains are loss-making but Burton had convinced the City of its ability to pull substantial profits out of them. That deal now goes back to the drawing board while Hanson reviews the position; it's possible that the deal may have to be renegotiated in the newcomer's favour.

As for Bassishaw, Hanson reckons the consortium has fired its last shot. That may well be true; certainly it is becoming obvious that a cumbersome consortium is the last type of vehicle a bidder would choose to fight a fluid, leap-frogging bid against Hanson Trust.

Hoover picks up

IT MIGHT not have been much but Hoover managed to pull itself into profit at the pre-tax line during the last quarter of 1982, the first time the group has made a positive return since the beginning of 1980. Yet the results were tinged with disappointment.

In the final quarter Hoover made a profit of £22,000 on sales of over £50m. The market had been hoping that the white goods giant would have scratched out something a bit better given the way retail sales of electrical goods were apparently booming. As it was the small profit in the last quarter left Hoover with a £7.8m deficit in its profit and loss account against £30.3m the year before when closing Perivale and other reorganisation expenses knocked up a bill of £17.2m.

However, Hoover's important Australian subsidiary—accounting for about a fifth of group sales — was still losing the group a lot of money in 1982. And in the UK the group has had plenty of problems in Scotland. Labour relations have not been smooth in Cambuslang and Hoover was unable to keep up a steady flow of products to the retailers.

At least production problems had one pleasant facet — borrowings were run down by £6½m to £17m on the back of lower stocks. The group is hoping to hold that lower debt figure and following [illegible] rationalisation in Australia and a smoother run in Scotland this year should see modest profits. Even so Hoover has a long way to go before it can claim to be making a decent return on sales running at over £4m a week on average.

Textile performer

For the textile industry the recession has compounded problems of overcapacity and import competition. Within this harsh climate Marks and Spencer has provided a valuable shelter for some companies.

Nottingham Manufacturing, a maker of knitted outerwear, hosiery and tufted carpets, has, as a major supplier to M and S, been able to bask in some of the sunshine of the High Street retailer's growth.

Over the last nine years pre-tax profits have risen more than 14 times to a record £21.3m for 1982—12 per cent up on 1981. Trading volume last year was 10 per cent up on the previous 12 months but aggressive marketing to win market share in the very competitive conditions slimmed margins leaving profits ahead only 8 per cent, on sales of £214m, against £193m previously.

But the group's cash pile, which last year rose 20 per cent to £82.8m, including leased assets, generated investment income of almost £6m, compared with £5.02m.

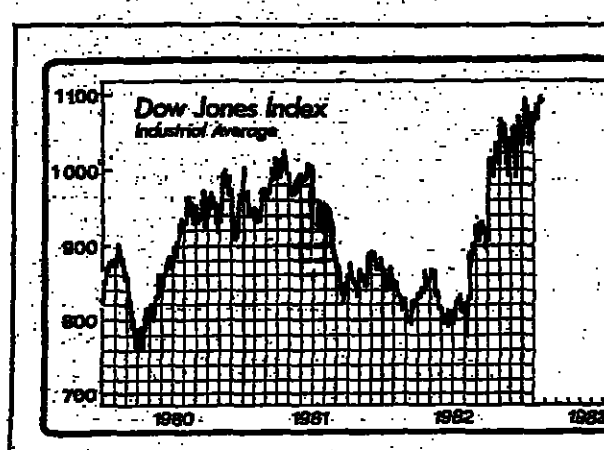
The shares, which have soared from a low of 70p in 1980, slipped back 10p from a peak of 240p on the results this week.

The pressure on margins is expected to ease this year, helped by a weak sterling exchange rate which should push up import prices. Though people question how long M and S can continue to raise its market share, Nottingham Manufacturing's profits should show further good growth in 1983, and in the absence of suitable acquisitions the cash pile will continue to climb.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Govt. Secs. Index	79.93	+1.13	85.84	61.89	Hopes of lower interest rates
F.T. Ind. Ord. Index	645.9	−16.6	662.5	518.1	End-account profit-taking
Assoc. Brit. Ports	137	+25†	138	129	Successful market debut
Blue Circle	400	−32	550	393	Broker downgrades profits
Broadstone Inv. Trust	335	+45	335	192	Unitisation proposals
Davis (Godfrey)	104	+13	104	66	Investment recommendation
Davy Corporation	55	−11	180	48	Lack of support
Distillers	243	−16	264	162	Cutbacks in malt whisky division
Hawley	171	+26	171	60	Press comment
Heal & Son	£38	+22	£38	£14	Habitat Mothercare bid
Henderson (P.C.)	415	+90	420	130	U.S. acquisition
Henlys	105	+16	119	72	Revived bid speculation
Kelsey Inds.	210	+40	212	135	Board's tender offer
Prestwich Parker	54	+17	54	26	Acquisition of Henlys Optical
Pritchard Services	158	+13½	162	77	Hopes of NHS contracts
Reed Executive	41	+11	41	19	Revived demand
Second City Props.	69	+14	69	38	Bid from C. H. Beazer
UDS	115	+ 8	117	54	Counter-bid from Hanson Trust
Wilkes (J.)	420	+80	457	44½	Speculative demand

† Based on issue price of 112p



Bougainville blossoms

MINING

GEORGE MILLING-STANLEY

SIX MONTHS ago, this column was recording two notable "firsts," one a cause for celebration and the other decidedly the reverse.

The first of these events was a profit of A$37.86m (£24m) in its inaugural year for Energy Resources of Australia (ERA), which runs the Ranger uranium mine in Australia's Northern Territory.

ERA has gone from strength to strength since then, and this week reported net profits of A$24.02m for the six months to the end of December last year. In the previous full year, the company paid a single dividend of 4 cents a share, and has already topped that with its first-ever interim dividend, also announced this week, of 5 cents a share.

ERA's future looks distinctly rosy, with firm contracts for its uranium output running until 1986 with customers in Japan, West Germany and Sweden.

The fact that these contracts were, in the main, negotiated several years before the mine came into production, as a consequence of the delays caused by the then Labor Government's moratorium of uranium projects, is also a benefit to ERA.

Spot market prices obviously have an influence on the pricing of long-term contracts, and the spot market was significantly stronger when the contracts were signed than it is now.

Even so, ERA's customers have little to complain about. It could be that they might be able to acquire their uranium a little cheaper if they were prepared to shop around in the free market, but they do at least have a guaranteed source of supply over a long period.

Beyond that, the eight biggest cusomers share a 25 per cent stake in ERA, and thus benefit from Ranger's profitability.

Speaking of ERA's shareholders, EZ Industries and Peko-Wallsend must both be congratulating themselves on retaining interests of just under one-third each in the mine, as both companies are having a tough time with their other operations.

The other "first" in that column of six months ago was a first-ever loss for Bougainville in the opening six months of 1981.

Bougainville, the Rio Tinto-Zinc group's big but low-grade copper, gold and silver mine on Bougainville Island in Papua New Guinea, was hit hard by the weakness of the prices for all three of its metals, and lost a net Kina 14.64m (£12.6m) in the first half of the year.

Mr D. C. Vernon, Bougainville's chairman, warned at the time that the company was not expecting any significant upward movement in the prices for its metals, and thus further losses were in prospect.

Happily, metal prices recovered so much ground during the second half of last year that Bougainville was able to recoup all of the losses made during the first six months, and even post a net profit for the full year of Kina 11.2m.

Apart from the sharp increases in metal prices, especially for the important precious metal by-products, Bougainville benefited from higher production as a result of the installation of two more ball mills, bringing the total to 12.

This boosted the amount of ore treated by 11 per cent, and helped to offset the decline in copper and silver grades.

Beyond that, the mine's management was conspicuously successful in reducing operating costs, with unit costs falling by over a fifth to Kina 4.10 a tonne.

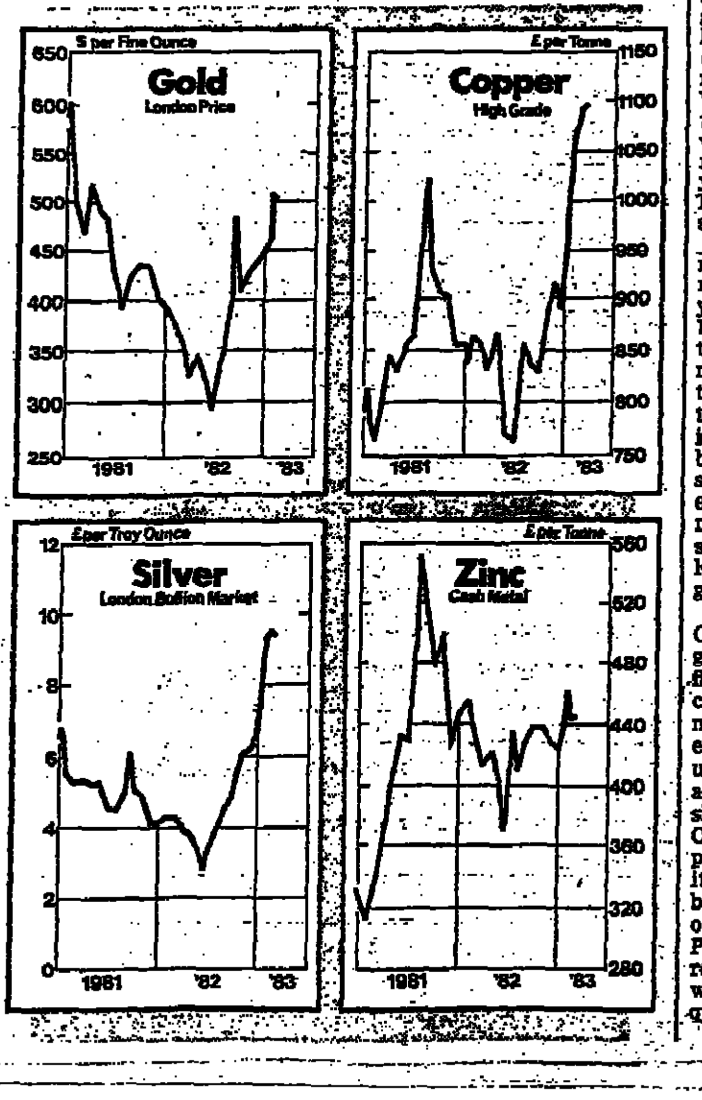
As far as metal prices are concerned, the Economist Intelligence Unit (EIU) this week published a special report entitled "Inflation Shelters 1983," a review of prospects for diamonds, gold, silver and platinum.

Available from the EIU at Spencer House, 27 St James's Place, London SW1, at a price of £55, the report is a highly readable survey of recent market trends in all four commodities.

In essence, the report suggests that worldwide economic uncertainties as a consequence of possible sovereign or large corporate defaults on loans could help the commodities covered to show real gains between now and the mid-1980s.

Silver is regarded as having the greatest speculative potential, while the report concludes that the platinum price will probably not recover its former premium to the bullion price.

If all this proves to be true—and the report provides some pretty substantial evidence for its conclusions—then Bougainville could be in for a good year in 1983.



No fireworks

NEW YORK

RICHARD LAMBERT

IT WAS standing room only at the Paul Volcker show in Washington on Wednesday, but the chairman of the Federal Reserve Board did not produce any fireworks in his long awaited presentation to the Senate Banking Committee. So although Wall Street is still looking for further gentle declines in interest rates during the coming weeks, the bond market continues to move sideways.

This in turn is tending to hold back the enthusiasts in the equity market. So is the 1,100 mark on the Dow Jones Industrial Average, which is proving to be a bit of a psychological hurdle. The Dow Index of 30 blue chip stocks briefly went above the 1,100 line on Tuesday, but was again unable to withstand profit-taking at that level. And the net movement over the week as a whole was very modest.

However, second line stocks arestill making some progress. For instance, the Value Line composite index of nearly 1,700 shares has outperformed the market leaders in recent weeks. And there is still plenty of action to be found among individual stocks.

One example is Beatrice Foods, the Chicago-based food giant, which has moved sharply higher in very heavy trading during the last few days. That may seem an odd reaction to Wednesday's announcement that some very large write-offs would push the group into the red for the final quarter of the year ending this month. But as Damon Runyan used to say, a story goes with it.

Although it was once a stock market star, Beatrice has fallen rather out of favour in recent years when it has appeared to be more interested in sales than in profits. A new chairman started to change the pattern a year or two back, and this week Beatrice revealed that it is about to bite the bullet in a big way. A rambling corporate structure is going to be tightened significantly, a haphazard marketing style is going to be substantially beefed up, and lots of low return businesses are goin gto be sold.

Over in the soft drink sector, Coca Cola reported earnings growth of 14 per cent in the final quarter, and said it would consider boosting its dividend next month. The business is even more competitive than usual at present, with heavy advertising and lots of expensive new product launches. But Coke has an enormously strong position in the U.S. market, and its foreign business is coming back nicely. It probably paid over the odds to buy Columbia Pictures—yet the studio has recently released some big hits which should help the current quarter.

Overall, brokers Smith Barney think that earnings will rise another 14 per cent or so this year to $4.50 a share, and rate the shares as a good hold on a prospective price earnings ratio of around 10½.

The quarterly results reason is now drawing to a close. One of the last of the big names was Ford, which reported losses on Thursday that were more or less in line with recent expectations. Analysts are forecasting a big recovery in the current year, with earnings of $6 a share or more in view. But that sems to be in the price, which has risen by around 140 per cent within the past 12 months to roughly $40.

Over in Chicago, the mood at International Harvester's annual meeting was surprisingly breezy. At the special shareholders' meeting back in October, bankruptcy was the main subject of conversation. This time, by contrast, the dread word was hardly mentioned, and there now seem to be a very good chance that the group will pull through, provided that the economy does not go into a further decline.

However, Harvester is going to need at least one more major capital reconstruction, and the value of the equity in the business as it now stands is an open question.

MONDAY	1097.10	+10.60
TUESDAY	1093.10	− 4.00
WEDNESDAY	1087.43	− 5.67
THUSRDAY	1088.91	+ 1.48

هكذا من الأصل

YOUR SAVINGS AND INVESTMENTS—1

Rosemary Burr on a new American import, credit insurance

An offer you can afford to refuse

IN THE U.S., credit insurance is big business but it has never really taken off on this side of the Atlantic. Although most banks provide automatic life cover to those taking out a personal loan, they have until recently been slow to offer insurance against other hazards such as accident, sickness or unemployment.

There are a few signs that the banks are changing their minds, however, and in the last few months both Barclays Bank and Midland Bank have introduced some form of credit insurance. National Westminster says it is looking into the matter. The banks, of course, get commission from the insurance companies for selling the policies to customers.

The Trustee Savings Bank group was the first British banking group to introduce credit insurance back in August 1977. John Loaring, TSB's personal credit manager, says the move gives the bank additional security and the customer more protection. About £200m of outstanding loans are now covered by this form of insurance.

Loaring says about 50 per cent of the bank's customers agree to take up the offer of extra insurance on loans. This compares with an industry average in the U.S. of about 66 per cent.

The TSB group has linked up with a group of companies led by Excess Insurance Group, owned by America's ITT. The premium depends on the length of the loan and varies from £7.34 for a one-year £100 loan to £9.95 for a five-year £100 loan. On a two-year loan of £1,000 it would be £79.60. The cover includes unemployment, accident and sickness. Payments are made for up to six months if a customer becomes unemployed.

On January 1 the TSB group introduced a pilot scheme to provide customers taking bank mortgages with the option of buying unemployment, accident and sickness cover. This is based on a monthly premium of £5.60 per £100 repayment.

The sole condition which the bank requires before issuing this cover is that the customer has been working for six months. In the case of accident, the insurance company will pay the instalments until the customer recovers but payments will be made for only six months should the client become unemployed.

So far the TSB group says the response has been warm with around 8 per cent take-up. The pilot test is taking place in the South East and in Wales in order to determine whether unemployment rates affect customers' response.

William and Glyn's introduced credit insurance in June 1981 and teamed up with one of the few British insurance companies which is active in this field, General Accident. The bank offers accident, sickness and unemployment cover. There is a £58.91 premium on a two-year £1,000 loan. If the customer becomes unemployed then the insurance company will pay instalments for up to one year.

Ian Martin, Williams and Glyn's senior marketing officer, says the service is doing quite well and that there is no customer resistance to the concept. He adds however that its appeal is greatest for a limited number of borrowers.

However, it was not until last year that the major clearing banks turned their attention towards credit insurance. Barclays Bank introduced its scheme in September and by the end of January had outstanding monthly liabilities insured against sickness and disability of £2.77m.

> ‘Maybe customers would be wise to ask how much commission the bank is getting’

Unlike the TSB, Barclays decided not to provide cover against unemployment, saying this would have increased the premiums by nearly a half. As it is the bank provides sickness and disability cover at a cost of £52 on a two-year £1,000 loan. There is no medical examination required. "If you are breathing, then you are in," says Harry Beresford, Barclays' life manager.

Barclays has teamed up with the American insurance company Financial Insurance Group, as it was impressed by the group's speed and efficiency. "FIG was light years ahead of most of the British companies. One UK company was talking of hiring a drill hall, trestle tables and special staff to deal with the business," says Beresford.

The latest entrant into the field is Midland Bank, which is working with General Accident to provide insurance against sickness, accident and unemployment for customers taking out personal loans. The unemployment cover extends to one year's repayments. The premium is £64 on a two-year £1,000 loan.

Few UK insurance companies seem keen to write this type of business. One underwriter expressed the fear that by doing so the insurance company was simply protecting the bank against making poor lending decisions. He suggests that some bank managers may insist that customers take out insurance in order to give themselves peace of mind rather than to protect customers.

Another underwriter suggests that the claims experience has not been too happy in the past 18 months with growing unemployment. Each insurance company sets its rates by assessing the overall risks for the banks' customers but in fact claims have been magnified since only those in high risk jobs have tended to buy the insurance.

From the customers' point of view the premiums on personal loans are rather hefty and no choice of insurer is given. Maybe customers would be wise to ask how much commission the bank is getting. In contrast, cover on mortgage repayments is much more reasonable and has almost universal appeal.

At the moment less than 5 per cent of non-mortgage credit transactions are covered by credit insurance according to Finance Insurance Marketing Services, part of the Edward Lumley Group, and an intermediary which has specialised in this area.

With no sign of the recession lifting but consumer loans buoyant the financial institutions are likely to look with increasing favour at any way of lessening their bad debts. If the UK insurance companies are unwilling to fill the gap their American brethren will [illegible]bably do so.

Non-taxpayer's gift

I wish to allocate some money to which I can add from time to time for the present maintenance and future *education of my grandchildren*, now aged two and three.

I cannot tie myself to a Deed of Covenant, and in any event there appears to be no point in this as I do not pay Income Tax and it could not be reclaimed I presume.

I propose to open a Deposit Account in the name of the children to be operated by their parents, so that if they find it necessary, they can withdraw the interest, tax free, I hope, to use for the children's benefit—the capital and any interest not to be used to be retained until the children come of age or until fees for their education are required. Would this interest have to be declared to the Inland Revenue as the children's income?

The simplest thing would be to write cheques in favour of each child, and to send them to their parents with a covering letter (which should be retained for production to the Inland Revenue if need be). Their parents can then open a deposit account for each child. It is *crucial that (a) the cheques* are not made out to the children's parents and (b) the deposit accounts are never credited with money given to the children by either of their parents. Separate deposit accounts can, of course, be opened to receive pocket money etc provided by their parents, if they wish.

Withdrawal of an offer

The subscription list, for Britoil shares opened on November 19 1982, on November 12 I completed the application form for 2,000 shares, wrote a cheque out, and left an addressed envelope on my dressing table. After reading the adverse Press comments, during that weekend I changed my mind, but didn't destroy the envelope and contents.

On the Monday evening my wife, without my knowledge, posted (2nd class) the envelope. Realising what had happened I immediately wrote (1st class) same post, withdrawing my acceptance.

The registrar of the receiving bank refused to accept my withdrawal as having any legal effect since the application states quite clearly it will become binding on receipt. My attitude was that my acceptance to their offer was withdrawn prior to the acceptance being communicated to them. What is the legal position?

If it is accepted, or you can establish, that your letter of withdrawal was received before the letter of acceptance, and especially if the former explained that the latter was a *mistake, we think you* have a strong case for claiming that there is no contract on the ground that there was no consensus ad idem.

Taxation of a bill

Could you please tell me the situation with reference to the application by a client, for the Taxation of a solicitor's bill by Taxing Master of the High Court. Could you tell us the cost to the client? Would he have to lodge a sum of money before the taxation could go ahead and if so how much? How long would it take? What is the time limit allowed after a bill has been paid, in which the client can apply for taxation? What is the time limit for bringing an *action for negligence against a* solicitor and from when does it start? Is it from when the negligence occured, or when it was discovered?

The costs are payable by the client unless more than one-*fifth of the bill is taxed off.* Security for costs may be ordered where the application is made more than one month after delivery of the bill. We cannot estimate either the costs *or any likely security.* Taxation is likely to take some months. Taxation may be applied for up to 12 months after delivery of the bill or payment of the bill. The time limit for a negligence claim is six years from the date when the negligence occurred or from the date when damage caused by the negligence occurred (whether or not it was then discoverable).

A lost deed case

We were interested to read the answer under A lost deed case January 8, regarding the procedure to be adopted where a conveyance which forms part of the title to property is missing. The suggestion was that if the land was *unregistered, the solicitors* should be required to register the document as a " lost deed " case at his expense.

A similar case has been referred to us although the missing conveyance in question has become, since the 1969 Act, a pre-root document and so would not appear in any way to hamper the present owner's sale of the property.

Could you elaborate slightly on the reply as we assume that your reference to registering the document as a " lost deed " case refers to the individual solicitor's records, and not to any proposed registration with the Land Registry, which we understand to be impossible?

We had in mind the discretion vested in the Chief Land Registrar to register a title; even in a non-compulsory area, where the title deeds have been lost. Normally this is restricted to the loss of all the title deeds because a single lost deed may *be reconstructed, see Ruoff &* Roper, Registered Conveyancing pp 182 and 206.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

Small estate and small income

Under the will of an elderly relative, the bulk of the small estate is to be divided into three equal parts and invested. The income from each part is payable to a named beneficiary, with the capital remaining going to a designated charity. As the charity concerned is a medical research fund, it is possible that in 30 or 40 years time the charity may no longer exist, at least in its present form and purpose.

The arrangement seems unsatisfactory and complex for a small estate and a small income; and the structure limits and benefit both to the immediate beneficiaries and to the charity.

The executors/trustees—one a solicitor the other the deceased's brother—are both nearly 80. One, the brother, is a beneficiary under the above arrangement. The two other beneficiaries are much younger, 31 and 38.

(1) As the two younger beneficiaries are much younger than the two executors/trustees, can they be appointed as trustees now as regards the administration of the funds from which they benefit? Or must such appointments await the death (retirement) of one of the present trustees?

(2) The trustees appears to have complete discretion as regards the investment policy of the funds. Does this mean that the investment decisions can be made to maximise income, even though this might partly or completely deplete the capital invested? What happens if there is a disagreement about investment policy?

(3) For the younger beneficiaries, the arrangement might run for 40 years before the capital reverts to the charity. The administration costs over this period are likely to be substantial and the value of the capital eventually handed over to the charity will be severely depleted by inflation (and by the compounding effects of an income-priority investment policy). Would it therefore be possible instead effectively to wind up the estate by payment to the charity of an actuarily-estimated amount of money, being the present value of their reversionary interest in the capital?

1—Appointments of new trustees may be made now if the existing trustees wish to adopt that course.

2—Although there is complete discretion, it is the duty of trustees to act fairly between life tenant(s) and remainderman, and therefore they should not maximise income wholly to the detriment of capital. A disagreement between the trustees would in practice mean *that the funds would remain* in their current state of investment. An application to the court for directions could be made if it could be shown that the present position plainly favoured one rather than the other to an extravagant extent.

3—It would be necessary to get the charity to agree if you are to terminate the trust early. This could be done at relatively little expense, but the trustees of the charity might require to have any such arrangement sanctioned by the court on behalf of the charitable beneficiaries. This would be a matter for the charity to consider.

YOUR SAVINGS AND INVESTMENTS—2

Do you sincerely want to be rich? **Dominic Lawson** reports

Taking a tip can be costly

AS THE London stock market reaches new all-time highs, one particular fringe area of the investment scene appears to be flourishing as never before. Investment letters — or tip sheets—are enjoying their own bull market.

Some are comparatively old-established; the Fleet Street Letter claims a 45-year publishing history, while the IC Newsletter—the product of an affiliate of the FT—has reached its 1,877th weekly issue.

Others, however, have sprung up to exploit the current atmosphere of seething speculation on the Stock Exchange, and their durability cannot be taken for granted. On closer investigation it turns out that several are the products of the same publishing houses, and some of the editors turn out to be working under different pseudonyms.

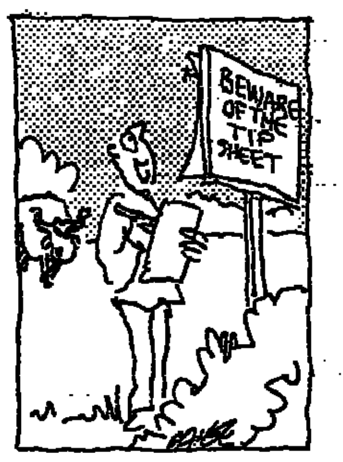
It is surprisingly hard to track down some of these smaller newsletters to their lairs. Telephone numbers are closely guarded, and readers of one newsletter are warned that "we change the number frequently for security reasons."

At first glance, the advertisements can seem convincing enough. Virtually all the tip sheets can show a number of shares which have doubled, tripled or done even better. Indeed Brian Winterflood, managing director of jobbers Bisgood Bishop, one of the firms of dealers which set prices on the London Stock Exchange, says "most of the tip sheets seem to feel that they haven't really made it unless they can show a tipped share increase its value by the magic 1,000 per cent." However, Winterflood is not overly impressed by the tip sheet's astuteness: "You can pick any damn share in an excitable bull market like this, and the comment itself will send the share up."

Winterflood adds that "like all financial advice, the quality of tip sheets varies enormously. Some give quite detailed analyses of companies and give reasoned judgments. Others are extremely shoddy and give only the scantiest justifications for their recommendations." Shoddy or not, the tip sheets don't come cheap. Most come out weekly, few contained more than about 10 pages, and the annual subscription range is £50-£150.

Tony Richards, of stockbrokers Quilter Goodison, argues that anyone considering taking out a subscription should ask himself some questions. Does the sheet tell you what the market in the shares is like? How many shares are actually available to the public? Does it suggest how many shares it would be prudent to buy? Does it recommend when to sell as well as buy? Does it mention dealing expenses? Richards believes that even adventurous investors should not have more than 5 per cent of their portfolios in speculative situations.

Many tip sheets are currently concentrating their sales patter on companies on the Unlisted Securities Market. These tend to have very small amounts of shares actually available to the public. For example Microgen which came to the USM in January was only able to allot about 200 shares to each stockbroking firm. In such a thin market a few purchases can send



the share price racing ahead. And be warned: the same process can work in reverse to send the shares plummeting.

If one does take the advice of a tip sheet, it is essential to move very quickly, as the tippers themselves recommend. However here you are competing with the professionals. Jobbing firms make it a rule to subscribe to all the tip sheets, and they will mark up the price when they see a share recommended, in anticipation of the expected demand. According to Brian Winterflood, it's not just the jobbers who read the sheets. "If a share is tipped we get the brokers on the telephone by about 8.30 on the morning that the sheet appears. Tipped shares will rise rapidly in the first hour of dealing. By ten o'clock the game is over."

And, of course, if word leaks out the game might even be over the day before. If readers are to stand any chance at all of making money out of such investment letters, complete integrity is required of the contributors and publishers, as well as watertight security among the printers and distributors.

Nigel Wray is chairman of the Fleet Street Letter, the oldest established tip sheet; its circulation since 1976 has mushroomed from 1,000 to over 15,000. Wray concedes: "People have always voiced the suspicion that the people who run tip sheets are taking advantage of their position at the expense of their readers, but it is an unjustified suspicion. We vet every link in the chain very scrupulously, and any suspicious share price movements are investigated, though naturally if someone very unscrupulous takes advantage of inside knowledge and deals on a nominee account one can't prevent it. But we need our readers. If we let them down, they won't remain our readers."

Wray insists: "We make it a rule that none of our contributors deals in the shares of a company before we first tip them, and the Fleet Street Letter will declare if it has an interest in any of the shares, mentioned."

One might wonder if those who run and contribute to tip sheets, and those newspapers which habitually tip shares, have really got a "sure thing," why they feel obliged to share such valuable information. Human nature suggests that the possessor of a racing certainty will keep the news to himself.

Wray points out, candidly enough: "If we were that good, we wouldn't be tipping shares for a living."

No deal on dealers so far

INVESTORS who had been hoping the Department of Trade would introduce tough new rules on licensed dealers last month, as it originally intended, have been disappointed.

The department's original proposals met a barrage of criticism from a range of City institutions, so the rules have been extensively redrafted to take account of this opposition.

The Department says it has had more than 60 responses to its September proposals and has now produced what it calls the penultimate draft. This document, marked "strictly confidential," has been sent to a small group of City organisation for comment. The Department stresses that it does not want to embark on another lengthy round of consultation and says it hopes to introduce the new rule by Easter.

It is clear that the department has taken on board some of the comments from those working in the investment management industry. In particular, it has accepted the industry's contention that it was impractical to insist that licensed dealers take out insurance to provide total cover in the event of financial failure.

It has also accepted the view of many in the industry that dealers should have formal management agreements with their clients.

However, the department's proposed definition of an investment management contract is already meeting opposition from within the industry. Some investment advisers are also unhappy at the way the department has wriggled out of the insurance conundrum by insisting that full details of any arrangements should be included in the management agreement.

The department, however, is staunchly maintaining that intermediaries marketing unit trusts require a licence and that clients' money must be separated from that of the company.

Within the unit trust industry there is considerable concern that lengthening queues are developing for licences and that some intermediaries unsure of their position may feel obliged to stop marketing unit trusts in the interim period.

The department says that there has been a rush of applicants since October. It admits that the waiting time for licences has increased but says it is doing its best to deal

Dr Gerard Vaughan, Minister for Consumer Affairs

quickly with applicants. However, handling new applications can take some time and the department is keen that the process is not seen as "rubber stamping."

On January 31 last year 419 principals' licences—issued to companies or individuals dealing in securities—were valid. A year later the figure had grown to 481. This understates the surge of applicants last autumn as not all those seeking a licence at the tail-end of 1982 have yet been processed.

Since the department appears to be having a tough time coping with the extra work under the old system, it does raise the question of whether it will be able to manage with the additional demands on its skill and time under the new rules.

This is rather academic at the moment. The City can be expected to lean hard on Dr Gerard Vaughan, Minister for Consumer Affairs, if it is unhappy with the final draft.

It would be a pity if the whole issue became bogged down in controversy when there is a considerable ground of agreement between the City and the Government. Both sides agree that the licensing procedure should be made more rigorous and that the department should monitor dealers' activities more frequently and in more depth.

From the consumers' point of view there is a strong case for bringing in limited changes as soon as possible and leaving Professor Gower, who is studying the savings industry as an adviser to the Department of Trade, to sort out the fine points.

> ‘It would be a pity if the whole issue became bogged down in controversy when there is a considerable ground of agreement between City and Government’

Rosemary Burr

SAVINGS OFFERS

YOUR SAVINGS AND INVESTMENTS—3

Westminster Assurance's package for retirement: **Eric Short** reports

A new scheme for boosting your pension

A PERSONAL pension contract that provides a pension plus a tax free cash sum at retirement without costing the investor one penny and—for higher rate taxpayers may even boost their immediate net income—sounds suspiciously like another product from an unknown off-shore life company investing in highly speculative ventures.

But the City of Westminster Assurance is now located at Milton Keynes in the heart of England, and is subject to the control of the relevant UK authorities. Its latest product the Guaranteed Pension Bond, a single premium pension scheme, offers the benefits described above, with investment being in gilts. The scheme has been approved by the Superannuation Funds Office (SFO) of the Inland Revenue.

So how does Westminster Assurance, the marketing name adopted by the company, offer this latest version of pound notes for 50p pieces? *Simply by using the normal tax concessions* available on personal pension contracts together with the ultimate in loanbacks— an interest free loan.

The scheme works as follows:

● The investor pays the gross premium under the Bond to Westminster Assurance, claiming tax relief at his top rate.

● The investor exercises at outset the loan facility under the bond, entitled the Self-Made Cash Restorer. This loan of up to 70 per cent of the gross premium, is both interest free and unsecured, so that no *assets have to be put up as* collateral. The facility is automatic so there is no enquiry into the status of the borrower or the purpose of the loan.

This loan boosts the investor's net income for the year, the effect being shown in the tables. If the investor is paying basic rate tax only, the loan is sufficient to offset the net contribution. But if he is paying higher rate tax, it actually boosts the net income for the year.

● Part of the premium is used to buy a *single premium temporary assurance to repay the* loan should the investor die before retirement. The remainder is invested in the Pension Bond—a non-profit contract. This species had until now virtually disappeared, but Westminster Assurance has revived it, since it needs the full guarantee of the cash sum at retirement.

● At retirement, the investor receives his tax free cash sum, from which he repays the loan, together with the pension.

HOW THE GUARANTEED PENSION BOND OPERATES

MAN AGED 40 with net earnings of £40,000 a year. Selected retirement age 70.	£
Gross pension contribution 17½% of £40,000	7,000
less tax relief at 60%	4,200
net cost of contribution	2,800
add back Cash Restorer 70% of £7,000	4,900
Increase in net income	2,100
Benefits at age 70	
Guaranteed cash sum	6,006
less loan repaid	4,900
tax free cash sum	1,106
guaranteed pension per annum	2,002

MAN AGED 34 with net earnings of £16,000 a year. Selected retirement age 65.	£
Gross pension contribution 17½% of £16,000	2,800
less tax relief at 30%	840
net cost of contribution	1,960
add back Cash Restorer 70% of £2,800	1,960
net cost to investor	Nil
Benefits at age 65	
Guaranteed cash sum	2,041
less loan repaid	1,960
tax free cash sum	81
guaranteed pension per annum	680

These benefits have cost him nothing.

It is obvious that the key to the whole scheme is the Cash Restorer—the interest free loan. This has been the philosopher's stone in many life assurance tax avoidance *schemes, such as second hand* bonds. The Revenue has clamped down on the use of interest free loans on life assurance schemes.

The SFO is a fairly autonomous unit within the Revenue, but it is also well aware of the existence of interest free loans. Indeed, in its Memorandum 58 on self-administered executive pension schemes, it insisted that any loanbacks to the parent company had to be on commercial terms. However, it has approved this contract.

Under this scheme, *Westminster Assurance's actuary,* Nigel Elliott, has calculated the benefits per £1,000 contribution on the basis that £700 will be invested in the interest-free loan, with only the remainder — less a deduction for expenses and life cover — invested in gilts and producing the investment growth to retirement.

The *contract, as a means of* providing the self-employed with an adequate pension, is far from efficient, as the company itself admits. Relating to the examples in the table, the 40-year-old man buying a with-profit contract from Equitable Life Assurance would get a projected cash sum at retirement of £24,805 plus a projected pension of £8,102 per annum. The 34-year-old man for his contribution would get a projected cash sum of £9,473 and a projected pension of £3,158 per annum. Both quotations assume current bonus rates.

So it would appear that the main purpose of the new scheme is to enable the self-employed to cut back on their tax bill: that is tax avoidance. Westminster Assurance emphasise that this plan is not a main pension provider. The scheme gives investors the option of taking the loan and of repaying at any time. But that is solely to ensure the scheme qualifies and for ease of administration. Nigel Elliott says that the bond will not be processed unless the loan is taken and investors *will be discouraged* from early repayment.

The company expects that this bond will be taken out on top of a regular premium personal pension policy, using up the tax allowances that would otherwise lapse.

But the company markets its products through full time intermediaries who are not *noted for reticence* when it comes to promoting tax avoidance. Far more pension plans are sold on the tax savings elements than on the actual pension benefits. However, the commission paid is only 3 per cent, whereas a 25-year regular premium plan pays 50 per cent of the first annual pre*mium. So* intermediaries are unlikely to be tempted to sell this new bond except as a top-up arrangement.

The scheme has two other major drawbacks. In order to function, the low amount effectively invested has to grow sufficiently to be able to repay the high amount of the loan. This requires both time and a *high yield on the investments.* Thus the investor has to select a retirement age around 20 years in the future to take the maximum 70 per cent loan. For higher ages the maximum loan is reduced, cutting back on the tax efficiency.

The benefits are very sensitive to interest rates and gilt yield changes. Nigel Elliott admits that a substantial fall in interest rates could lower benefits on new schemes below the limit to make this scheme viable, at least for basic rate taxpayers. But there would be ample warning of any change in the scheme.

Investing in Eric the Second and looking back on Eric the First

ERC II is not a sequel to some cinema box office blockbuster, but it is the nearest thing to a repeat in the world of investment funds.

As predicted last week, Electra Investment Trust is wading in with a second risk capital fund though at *this early stage* it can only demonstrate the popularity, not the performance, of its first such fund.

It was in November 1981 that Eric I, as it is affectionately known, was born to give investors the taste of an Electra House style managed fund under the Government's Business Start Up Scheme. Amid the growing enthusiasm for venture capital opportunities—or was it only the advantages to the high taxpayer?—it attracted £8.7m.

Mr Michael Stoddard

To date almost £5½m of this has been invested, some 40 per cent going into pure new ventures and the rest going into concerns that have been trading for up to five years, the qualifying limit for the scheme.

This lack of track record highlights how such funds contrast with the unit and investment trust portfolios of established companies. "High risk—high return" is the name of the game in venture capital and the hope is that the inevitable bad eggs will be more than offset by good ones.

A year is too short a time for Electra to be able to identify the winners from the losers in Eric I with any certainty. By chance, the first investment, a half share of communication system consultants Eosys costing £¼m, has turned in the best performance so far. But among the 24 companies in the portfolio one is reaching a crisis point.

As this particular project still holds promise Electra is likely to make a further cash injection. Some £750,000 is being put aside for situations where the embryonic stage of new concerns lasts longer than normal. In the U.S. venture capital market five or six successive cash injections are not uncommon.

While outright losers must be expected, much effort goes into reducing the risk. For this reason successful venture capi*tal fund management* requires far more executive time than the supervision of other investment portfolios. Electra currently has eight managers working on the £8.7m Eric fund while one of its investment trusts, with a £100m portfolio, requires only one man.

This means much higher management costs but at Electra these are met from the interest income earned on uninvested *funds. For the first seven* months of operation of Eric these costs were almost £110,000.

There is no shortage of proposals: three or four come in every day. Nearly 500 have been examined up to the present so the acceptance rate is low but the quality of proposi*tions is rising.* Those that are referred to Electra by professional advisers, such as accountants and banks, naturally receive *added attention* and the managers would like to see more professional intermediaries referring projects.

Though Eric II operates on a similar basis to its predecessors recent changes to the Government's Start Up scheme have increased the tax advantages for investors. This means that a 75 per cent tax payer stands to make an overall nominal gain of treble his or her net cost, even if the value of the original investment in a *fund remains unchanged.*

Electra is seeking to raise up to £10m in Eric II by issuing master shares of £2,500 each and already has commitments for some £2.5m. As with all the schemes the shares must be held for at least five years to qualify for the tax concessions but the maximum in*vestment for tax relief has been* raised from £10,000 to £20,000.

The aim of Eric is capital growth but the length of time the investment must be "locked in" to qualify for the tax relief makes it unsuitable for the active investor. For those who are prepared, or able, to wait there could be significant rewards in these funds should they contain the odd high flyer.

If Eric II follows the experience of other follow-up risk capital funds then it may not attract as much money as its younger brother. Electra has sought to prepare fore such an eventuality by lifting the total that the managers can invest in any one company from 10 per cent to 15 per cent of the fund.

Christopher Cameron-Jones

PROPERTY

British homes hold their own in California

BY JUNE FIELD

AS WELL as the "Britain Salutes New York" festivities in April, *the British are strong* on the U.S. home-front generally. The current issue of one of America's major decor and real estate magazines, *Metropolitan Home*, profiles Habitat store chief Sir Terence Conran as "The Emperor of The Everyday," and another feature praises the English Country Look as "a growing infatuation" with roses and chintz.

While in California, where the Queen and Prince Phillip are due to start their visit next Saturday, it is a British property *developer who is more* than holding his own in the face of a recession that is as deep and on-going as any we have here.

And it is all rather a nasty shock to the Sunshine State so long promoted as a vast promised land of milk and honey. Many builders have sold *off their land, drawn in their* horns, and settled down to wait for better times. The days of lotteries to ration homes for enthusiastic buyers, and "camp-*outs*" (*families* literally camping out for days around a sales office) in force on my visit in the late 1970s, are no more.

This is why it is all the more *extraordinary that* British builder Sir Lawrie Barratt should be doing so well. Barratt American, formed by the *acquisition in* April 1980 of the American National Housing Corporation in Irvine, for $12m, and McKeon Construction in San Francisco for $32m a year later have achieved *it by* going ahead with the aggressive marketing methods they use in Britain.

Although, with the recent high interest rates, and the fact that for the first time in many Americans' living memory there is a genuine shortage of money, group chairman Sir Lawrie Barratt admits that "our operations in the U.S. have been a little disappointing. We made a profit in the last year, but the going was tough. To compete in the market place it was necessary to offer large mortgage subsidies creating a considerable overhead."

Their biggest disappointment, strangely, bearing in mind that we always think the wheels of authority grind slowly in *Britain, is the length* of time taken to get planning permission, particularly for first-time buyer units such as the fully furnished and equipped Studio Solo, a runaway success story when the first were finally built in Fremont, *Northern* California, in the summer. (On the way are Studio Duo's, the transatlantic *equivalent of Studio* Two, but with a separate sleeping area.)

Over dinner last week in Irvine, near Newport Beach, in Orange County, the company's California headquarters, Sir Lawrie and former group sales and marketing director John *Swanson*, 38-year-old Scot now president of Barratt American, expanded on their philosophy:

"People have needs and wants—first time buyers need a *place to live, second and third* time buyers have wants—they want a bigger house in a different location, or a retirement home. We aim to satisfy *these requirements* by *providing* a total purchase package, precisely the same as we do in the U.K."

This means utilising similar *innovative promotions*. Even a helicopter is there, manned by actor Craig Littler instead of Patrick Allen. Part-exchange—almost unheard of in California because most builders cannot cope with a large inventory of homes—is one of the most popular purchasing aids. "Trade Your House In Now" is the *command* on some of the sale boards on the 33 locations spread from San Francisco to San Diego, taking in the Californian capital, Sacramento, *where Barratt apartments* for rent have revitalised the downtown area.

The Sacramento rejuvenation is a joint venture with the local authority, on land leased from the state, two blocks from the Capitol Building. Units are also *for sale, from $48,000* for studios, and $54,500 for one-bedroom accommodation. With the pound currently so low against the dollar, it is difficult *and perhaps not fair to equate* prices with those here, but as *The Sacramento Bee* reported when I was there, although the housing is not cheap, it is *affordable for many* with moderate incomes.

"And we organise the finance," reminds Sir Lawrie, pointing out that this stops a chain of sales building up. Sources of mortgage loans vary. Basically, there is FHA/VA, where the Federal Home Administration and Veteran's Administration insure or guarantee loans, FHLMC (Federal Home Loan Mortgage Corporation), which is a similar operation, Bond Financing, sponsored by the State of California where the proceeds of the bonds are used to originate loans to home buyers, and conventional financing through banks, savings and loan associations.

Types of loans include 30-year fixed rate mortgages, at currently around 9 to 11½ per cent interest, and adjustable and graduated payment mortgages.

One prospective English buyer looking round one of the stylish model homes (showhouses), in a well-landscaped village community complete with pool and playground, had moved to the area to work on a short-term contract. He did not want to sell the family home in Liverpool which was profitably let, but was able to buy an American home by putting down 4 per cent of the purchase money and meeting mortgage commitments out of income. And someone considering leaving the uncertainties of the micro-chip industry in Northern California's Silicon Valley, could use the swap system in reverse, trading in his Barratt home in Santa Cruz for one in, say, Milton Keynes in *Britain*.

For a basic location list with approximate prices of British and American properties, write to Sir Lawrie Barratt, Wingrove House, Ponteland Road, Newcastle upon Tyne.

Really high-priced properties on the West Coast are almost always financed by the seller rather than an institutional lender, usually over a five to 10 year period, at interest rates substantially below the commercial figures.

Joint venture "stacked" accommodation two blocks from the Capitol Building in Sacramento, California. One bedroom units are for sale from around $54,500. Details Sir Lawrie Barratt, Wingrove *House, Ponteland Road, Newcastle upon Tyne, NE5 3DP, or* Scott Phillips, president, Barratt Sacramento, 2135 Butano Dr. 105, Sacramento, California, 95825, USA

Four-bedroom, three-bathroom house with a central atrium for plants, at Vista Ramon below Mt. Diablo in Northern California. Suitable for permanent, retirement or holiday living, it costs around $224,000, and Barratt would take your British home in part exchange. Details: Sir Lawrie Barratt, Wingrove House, Ponteland Road, Newcastle upon Tyne NE5 3DP, or John Swanson, Barratt American, 20 Executive Park, Suite 280, Irvine, California 92714, USA

Stockbroker Boyd Jefferies's spectacular house at Laguna Beach, Southern California, perched on a cliff top overlooking the Pacific Ocean. There are 4 bedrooms, 4 bathrooms, gymnasium, sauna, eight-car garage, staff cottage, a tennis court, wine cellar and art gallery. Details: Hall F. Wilkie, Sotheby Parke Bernet Realty, 7210 Beverly Boulevard, Los Angeles, California 90036, USA. The price has just been *reduced from $11.5m to $6.5m to include all the furnishings*

CHESS

LEONARD BARDEN

THIRD WORLD nations have made notable and, to European eyes, surprising advances since they began to take chess seriously in recent years. President Marcos's patronage made chess a national sport in the Philippines, *which has produced* Asia's first grandmaster and world title candidate (E. Torre) as well as the current FIDE President Campomanes. Then the Chinese *broke* through impressively at the 1978 *Olympics* where Liu Wen Zhe routed his Dutch opponent, Donner, just a few days after the Netherlands GM had sneeringly questioned how any top European player could genuinely lose to a Chinaman.

The latest countries to make a solid mark at world level are the Arab nations. Here one must enter the caveat that a thousand years ago when chess was still in its ancient form, shatranj, the Arabs were the top men. The son of Harun al-Rashid was the chief patron of his day while later as-Suli became established as the greatest grandmaster and leading theoretician of his time. Preferred strategy of the ancient Arab school was a flank attack with the king's bishop's pawn (the so-called torrent pawn) often leading the way.

Turn on a millenium, and you come to the "First International UAE Festival" held in Dubai last month. The participants were from 14 countries, including Iran (where the Ayatollah has *banned chess*), *Syria*, Tunisia, and the ancestral home of chess in India. Tournament favourites were a group of West Germans led by Eric Lobron *who had just qualified for the* grandmaster title by sharing first prize with Polugaevsky of the USSR in Manila. Lobron, as BBC2 Master Game viewers will *remember, also triumphed* in the international television series.

First prize at Dubai went to Kindermann of West Germany; *but the youngest UAE* representative, Saeed (who has starred in several world junior championships) was high on the prize list. Most important of all, another unknown Arab produced an attacking masterpiece against a European to match Liu Wen Zhe's immortal against Donner.

THE CHINESE IMMORTAL
WHITE: Liu Wen Zhe (China).
BLACK: GM J. H. Donner (Holland).
Pirc Defence (Buenos Aires 1978).

1 P-K4, P-Q3; 2 P-Q4, N-KB3; 3 N-QB3, P-KN3; 4 B-K2, B-N2; 5 P-KN4, P-KR3? (better P-QB3); 6 P-KR3, P-B4; 7 P-Q5, 0-0? (castling into the attack). 8 P-KR4! P-K3; 9 P-N5, RPxP; 10 RPxP, N-K1? (N-R2); 11 Q-Q3 PxP; 12 NxP, N-QB3? (N-B2 was the last chance); 13 Q-KN3! B-K3; 14 Q-R4, P-B4; 15 Q-R7 ch, K-B2; 16 QxP ch! KxQ; 17 B-R5 ch, K-R2; 18 B-B7 dis ch, B-R3; 19 P-N6 ch, K-N2; 20 BxB ch, Resigns—21 BxR ch forces mate.

THE ARAB IMMORTAL
WHITE: Jasaam (UAE).
BLACK: GM E. Lobron (West German).
Pirc Defence (Dubai 1983).

1 P-K4, P-KN3; 2 P-Q4, B-N2; 3 P-QB3, [illegible] P-KB4, N-KB3; 5 B-Q3, [illegible] (better P-K4); 6 N-B3, [illegible] 6 N-B3, P-B4; 7 PxP, PxP? (Black should gambit a pawn by QN-Q2); 8 P-K5, N-Q4; 9 B-K4, N-N3; 10 [illegible], Q-B2 (exchange of queens still leaves White a clear initiative); 11 Q-K2, N-B3; 12 N-R3, R-Q1 (P-B3, to blow open the centre, was Black's last chance). 13 P-B5!

The ghost of as-Suli must surely have approved this move. His preferred opening was the "Mujannah" where the torrent or KB pawn advances to B4 while the knights are poised at B3 to penetrate the Black position. That is precisely what happens here in the next *few* moves.

13 ... PxP; 14 N-QN5, Q-Q2; 15 N-N5! PxP; 16 Q-R5, NxP; 17 QxRP ch, K-B1; 18 NxBP.

If White's earlier play showed the tradition of his Muslim heritage, his handling of the final assault could hardly be bettered by Tal or Alekhine. Mating threats loom, as in the variation 18 ... NxN, 19 B-R6.

18 ... N-B6 ch; 19 PxN, PxP (hoping for a counter by the threat Q-N5 ch); 20 N-R6!

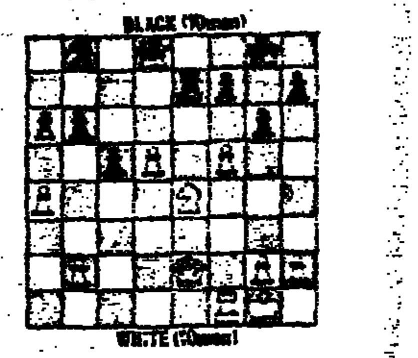
Defends the mate and renews White's attack. Black's game now collapses completely.

20 ... Q-Q4; 21 RxP ch! K-K1 (or QxR; 22 Q-N8 mate); 22 N-B7 ch, K-Q2; 23 NxQ, Resigns.

British champion Tony Miles has begun well in the Linares super-tournament (see last week). *He won from Larsen* and has a probable draw with Hort. This weekend Miles plays White against world champion Karpov.

POSITION No. 462

BLACK (10men)

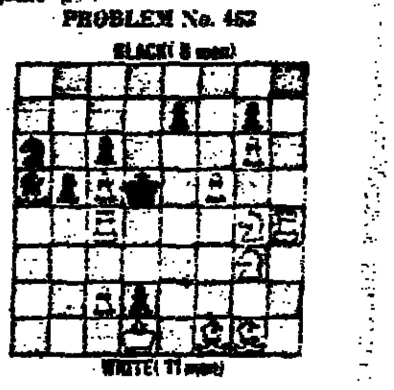


WHITE (10men)

Gligoric v. Petrik, Vienna 1982. The veteran Yugoslav Gligoric defied his 59 years by outpacing more than 150 rivals at the Vienna open. Here, as White to play, he was on top but Black was ready to strengthen his barricade by N-Q2. Gligoric's next, a GM style finesse, forced a win in a few moves. How should the game go?

PROBLEM No. 462

BLACK (8 men)



WHITE (11 men)

White mates in two moves, against any defence (by V. Heinonen, Finland 1974). Several near misses conceal the solution in this tournament first prize winner.

Solutions, Page 12

BRIDGE

E. P. C. COTTER

THERE ARE many excellent hands in *Bridge With Aunt Agatha* (Faber, £6.95), by Freddie North. Aunt Agatha is not your usual maiden aunt, who is a horrible bridge player —she is an awesome person, who plays a very skilful game.

Let us see her in action in this slam hand:

	N ♠ K 6 3 ♡ K Q 8 8 ◇ A K J ♣ K 7 3	
W ♠ Q 7 2 ♡ A 10 9 7 4 3 ◇ 9 8 ♣ 6 4		E ♠ 10 9 4 ♡ 5 ◇ 6 4 3 2 ♣ J 10 8 5 2
	S ♠ A J 8 5 ♡ J 2 ◇ Q 10 7 5 ♣ A Q 9	

With North-South vulnerable, Aunt Agatha, sitting South, opened the bidding with one no trump (weak) on her 14 points. Her partner, Sally, a very mediocre player, said two clubs, to which the opener replied with two spades. North now said four no trumps, which in *this sequence means*, "Go six if you are maximum." But not quite sure what Sally's bid meant, Aunt Agatha, having opened on a maximum, decided to treat it as Blackwood and bid five hearts, and North *raised to six no trumps.*

West led the diamond nine, won with dummy's Ace. The declarer correctly started on hearts, leading low to her Knave. West won, and continued with his eight of diamonds, *taken by the King*, and two more diamonds were cashed. On the *third* round West threw a heart, and on the fourth the two of spades. This was good thinking on West's part—he could see the threatened squeeze, and *decided* to throw a spade early to give the impression that he had no interest in the suit. But his partner Mildred, a nervous player whose game was built on bridge clichés, undid all his good work by throwing one club and one spade, on the King and Queen of hearts.

Now Aunt Agatha cashed three rounds of clubs, and had a complete count on the hand. She cashed the King of spades, returned the six, and went up with her Ace, dropping West's Queen, and the slam was made. Excellent play by the declarer, ably assisted by East.

The next hand was dealt by South with neither side vulnerable:

	N ♠ K 10 5 3 ♡ Q 8 3 ◇ Q 5 2 ♣ K 5 4	
W ♠ A 2 ♡ 7 5 ◇ K 9 4 3 ♣ 10 8 6 3 2		E ♠ 8 6 ♡ A 10 6 4 2 ◇ 10 8 7 6 ♣ 9 7
	S ♠ Q J 9 7 4 ♡ K J 9 ◇ A J ♣ A Q J	

It is churlish to find fault with a hand of 19 points, but South's hand has its disadvantages. It is not quite good enough for two no trumps, and one spade on so strong a hand is not ideal. However, South bid one spade, North raised to two spades, and South said four.

This time our heroine was sitting West, once more in partnership with the hesitant *Mildred*, and chose the seven of hearts for her opening lead, dummy played low, East won with the Ace, and that was the end of the defence.

"Why did you not duck the heart lead?" asked Aunt Agatha. "Because you might have had a singleton," answered Mildred. Now there is no known solution to Mildred's problem. If in doubt in such circumstances, the third player should assume that the lead is doubleton, unless the enemy trumps look so solid that partner will not have a second chance to ruff. There is a further point—dummy and East have no singleton, so on the law of symmetry West will be unlikely to hold one. But the law of symmetry is not infallible.

Incidentally, if South bids three no trumps, North will pass, and that contract is unbeatable. Would you say three no trumps after a spade raise?

هكذا صدر الأصل

Following your stars

TRAVEL

TREVOR BAILEY

MY FIRST MCC tour to Australia lasted for more than six months with the journey by ship to Freemantle taking one of them. It was a delightful method of travel, rather like living in a high-class, mobile pub with a swimming pool.

This took place before the age of rapid air flights and cheap package holidays so that the handful of supporters who came out from England to see us play had to have both money and time.

They were nearly all retired cricket - crazy businessmen making the trip of their lifetime which had been planned with meticulous care over several years. The players came to know them well and a happy relationship was established without it ever becoming too close.

It is an entirely different picture these days. This winter at least 42 cricket holidays in Australia were marketed by 14 travel companies and organisations, which proved something of an overkill as only about a third literally took off. However it does indicate that cricket tours have become a small, specialised and increasingly important part of the travel business.

Over the last 15 years group and charter holidays combined with comparatively cheap air travel have given ordinary cricket fans the chance to see Tests overseas. Nevertheless a visit to Australia involving a flight of at least 24 hours—though relatively inexpensive—still costs a lot of money, while anyone travelling that distance needs to stay at the very least for three weeks to obtain real value.

The duration, itinerary and accommodation of tours in Australia this winter varied considerably. Some were organised by commercial firms and others privately, like the Cricketers Club of London. Although prices differed, a three-week stay in a top-class hotel including full breakfast and admission to matches would cost about £1,700 per person while a single room was an alarming £27 per night extra.

My tour was arranged by the former England cricketer Fred Rumsey, now running a travel firm specialising in sporting holidays. It was specifically designed to include a little more than just Test and One Day internationals. My party was sold on Sydney, which has so much variety to offer, while the Sebel Town House must rate as one of the best hotels in the country because of the quality of service.

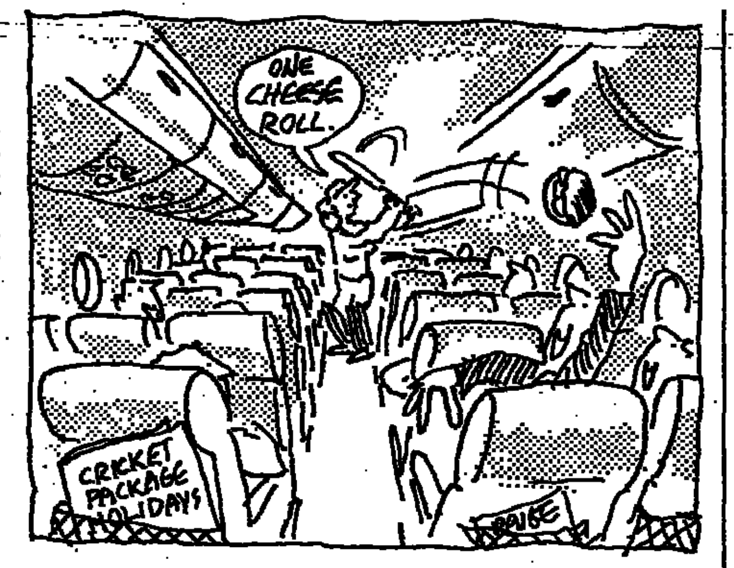
The Commonwealth Games had much to do with the many improvements noticeable in Brisbane, while the Gold Coast, the playground of Australia with its vast surfing beach is a revelation.

The town contains rather more estate agents than Hong Kong has camera shops, but why a land with so much space should build so many high-rise apartments is strange and must be largely due to a national fixation about having a view of water for which Australians are prepared to pay a vast sum.

My own interest in sports travel really began in the late 1960s when covering football in Europe for the Financial Times and I discovered how much cheaper it was to go on a charter flight with 4S Travel.

These football excursions were admirably organised by David Dryer, now managing director of Americana Sports Travel, who had been appointed by British Olympic Association to handle the 1984 Olympics. As a result of our association David asked me to take a party on a fairly ambitious cricket tour which included Hong Kong, Australia, New Zealand, Fiji and Los Angeles.

It proved an unforgettable and rewarding experience. Packed with memories, including that of my middle-aged Midlander who not only insisted on sitting on The Hill at Sydney while Ray Illingworth was winning the Ashes, but also planted a Union Jack. When he rejoined the group with a cut eye from a flying beer can I inquired if he was all right and was greeted with the happy "Scars of war my son."



Two hours out of Fiji the captain of the Jumbo informed us that he was returning to the airport and it did not need an engineer to deduce there would be a considerable delay.

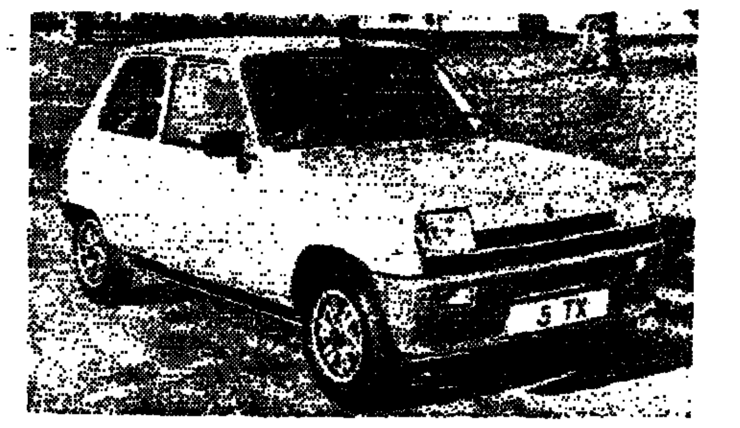
The following morning expansive Americans with even more expansive credit cards and a seemingly unlimited supply of dollars besieged the airport staff with tales of disaster if they failed to get on the next flight.

Not for the first time it helped to have played cricket because though I had no credit cards and little money—just a group of Brits trying to get home—I discovered a little Indian who was interested in cricket. Once we had discussed the series, we immediately made all the necessary arrangements.

Having spent so much of my life looking after cricketers, I found cricket supporters a dream. They are invariably punctual, reliable and civilised. They are very special people held together by an absorbing love for a great game and after my first adventure I had no hesitation in hosting numerous other groups on cricket tours to the Caribbean and Australia.

I prefer taking them to Barbados because apart from the flight there being so much shorter there is less travelling, while the hotels, like my personal favourite, Tamarin Cove, are ideal for a beach holiday well away from the city and yet within easy reach of the Test grounds.

Poshest of all Renault 5s



The Renault 5 TX. Power steered for easy parking, high geared for quietly relaxed motorway journeys.

MOTORING

STUART MARSHALL

POWER steering on a tiny little car like the Renault 5, which is only a few inches longer and a shade over a hundredweight heavier than a Metro? It sounds like sheer self-indulgence. As decadent as one of those push button things that lets you change channels on TV without leaving your armchair.

It took me about a day to find infra-red remote control on my new TV a boon and a blessing: and only five mintues to be sold on power steering on the Renault 5TX I drove for 300 mainly urban miles last week. Really, there can't be a nicer little hatchback for zipping around the West End in. It accelerates well in the lower gears and the hydraulic help on the steering makes it infinitely parkable, aided by excellent vision front and back and plastic bumpers that allow one to slip into impossible spaces by feel without causing any aggravation.

The cloth covered thrones are like club armchairs. They lift forward to give access to the rather cramped rear seats and the seat belts slide conveniently out of the way on steel bars down by the sills. Unpopping a cover over the boot made labrador space and the sill was no problem for her to leap.

The TX is the poshest of all Renault 5s—Renault call it a miniature limousine—and it has a lot more sound dampening material so it is executive-car quiet on the motorway at 70-75 mph in fifth, with another 20 mph in hand, downhill with a following wind. Top is high enough (about 22 mph per 1,000 rpm) to let speed fall off perceptibly on a gradient. I returned 33 mpg on mainly short runs in heavy traffic, some brisk motorway driving and despite leaving the engine to warm up on choke while I was scraping all the ice and snow off the windows.

What would make the R5TX even better as a city centre car is Renault's electronically controlled automatic transmission. At the moment, it is not an option. I think it should be. The price of the TX is £4,986 which includes electric front windows, digital clock, alloy wheels, laminated screen and tinted glass.

Though over 11 years old, the Renault 5 is still regarded as a very trendy car by the young. My student daughter threw out heavy hints about 21st birthday presents whenever she went in the R5TX. Though a contemporary of cars like the Morris 1100, it still looks perky, impudent and, well, very French.

The week before driving the TX I had revisited the Renault 5 Gordini Turbo, which I had not much liked when I first drove it. ("A small, simple and quite elderly car stretched to the limit" was how I summed it up last May).

This time, I drove it for 600 miles, on cross-country routes and on motorways, often in torrential rain. I enjoyed it enormously. At the lights, it gets away like lightning (provided you remember it has an unprogressive, in-or-out clutch) and cruises smoothly and not too noisily at 5,000 rpm in fifth, which is around 100 mph. Renault's official maximum at 6,000 rpm is 115 mph and 0-60 mph acceleration takes nine seconds. This is wholly believable though their claimed average consumption of 36.3 mpg is optimistic, bearing in mind the kind of motoring R5 Gordini Turbo owners have in mind. My figure was 29.2 mpg—but I hadn't had so much fun in a small car for a long time.

Since it was launched in Britain the Gordini Turbo has been given 60 series Pirelli P6 tyres instead of the original 70 series. They sharpen the steering response and have massive grip on wet or dry surfaces.

Given a responsible hand on the small steering wheel, the Gordini Turbo is as safe as it is swift and remains unfussy in town. The interior detail is not very good. A Japanese inspector would, I suspect, as soon commit hari kari as put his name to a car with such a vague and floppy choke control. The engine was rather clattery when cold and sometimes mulish about restarting when really hot, but the Gordini Turbo represents a lot of performance for modest investment—the price is £5,950.

UNDER General Motors' new marketing strategy for Britain, the up-market models are going to be Opels in future, the high volume sellers Vauxhalls. (Volkswagen and Audi are on the same tack.) The most prestigious cars in the Opel range, the Senator saloon and Monza coupe, have just been extensively modified for 1983 and can now hold their heads up in such company as Mercedes-Benz and BMW.

They have six-cylinder, fuel injected engines of 2.5 litres (the Senator 2.5E C saloon only) or three litres capacity with outputs of 136 bhp and 180 bhp respectively. Styling changes have made them look sleeker and significantly reduced aerodynamic drag, benefiting fuel consumption and high speed stability. I tried a Monza 3.0E C coupe with five-speed manual gearbox and found it most relaxing at autobahn cruising speeds—a maximum of 133 mph is claimed—and eagerly responsive on twisting roads.

The 2.5E C saloon, though not quite so urgent, was quiet, balanced and very comfortable, with an excellent driving position and power steering with the right mix of accuracy and lack of effort. The most luxurious 3.0E CD saloon, with automatic transmission and air conditioning as standard, had seats hard enough to excite Mercedes-Benz's admiration. They were peculiar to the top of the line CD—I thought the standard ones in the cheaper cars much nicer.

Prices are from £10,374 for the 2.5E C saloon to £13,259 for the 3.0E CD. The Monza 3.0E C coupe is £12,822, with five-speed manual or three-speed automatic transmission to choice.

Dabblers, specialists and orchids

GARDENING

ARTHUR HELLYER

IT IS the extraordinarily wide options which gardening offers that make it such a popular hobby. At one extreme, dabblers who are content to grow whatever can be raised readily from seed or obtained from friends or neighbours need never attempt to remember a single botanical name. At the opposite end of the spectrum there is endless scope for specialisation which can lead to a depth of knowledge far beyond that of most professionals.

Yet, knowing all this, I was still surprised to receive a handsome volume devoted exclusively to one genus of orchid, paphiopedilum. These are the plants commonly known as slipper orchids because of the pouched or slipper-like shape of the lip or labellum of the flower which plays an important part in ensuring cross pollination and so maintaining the vigour of the species.

For many years most of these orchids were classified as cypripediums—but now this name applies only to the relatively hardy temperate zone species and most of the tropical and sub-tropical kinds are called by botanists and most growers paphiopedilums.

The main purpose of Slipper Orchids (Croom Helm, £25.00) is to display the art of Digby Graham, a remarkable New Zealand art teacher, who in 1969 at the age of 34 became so inspired by the collections of some specialists in paphiopedilum that he began to paint these plants with great botanical accuracy but also with a highly personal sense of beauty.

From the outset his intention was to publish the pictures and preparations for the book by the time he had painted 37, began. Sadly he died in 1979 before it could be completed but his wife, Robin, who shared his enthusiasm, continued the project, contributing both a biographical sketch of her husband and an account of the way in which orchids captured the imagination of wealthy European plant lovers from the early 19th century onwards.

Today, thanks to the speed of increase made possible by meristem propagation, the cost of many orchids relative to the value of money is much lower than it was and orchid growers are numbered in hundreds of thousands with their own thriving organisations to foster their requirements. Many of these amateurs have acquired great expertise.

Slipper Orchid contains fine reproductions of all 37 paintings which Digby Graham left, 34 of them completed and three incomplete. Each occupies a page measuring 14½ ins by 10 ins and the colour is excellent, a paper with an eggshell gloss having been used to capture all detail which is very fine.

Facing each plate is a description of the species by Ronald Roy, one of the experts whose collections first inspired Graham to start painting paphiopedilums, and also pen and ink drawings by the artist of the staminode of the flower, a sterile stamen which botanists regard as important in determining the classification of the plant. These drawings are done with such care and sensitivity for form that, though probably meaningless to most readers, as they certainly are to me, they are nevertheless beautiful.

I imagine this book will be of as much interest to bibliophiles as to gardeners. Such works seldom run into a second edition and when the first is exhausted they become progressively scarcer and more valuable. Just as important as that, they are always delightful to look at.

One of the pleasures of being a non-specialist is that one is constantly discovering things that no doubt specialists have always known but which have been previously concealed from us. Returning from the first Royal Horticultural Show of 1983 with several bags of spoil, among them some varieties of Irish reticulata I had not previously grown or had lost, I was surprised to find that one was much more sweetly scented than any of the others.

It is named Violet Beauty and is a very pretty thing combining light and dark violet purple but though it had been purchased from the Broadleigh Gardens exhibit I have failed to find it ni their catalogue or any other.

Scent is often neglected in descriptions of plants or merely mentioned as an attribute of a particular species. Iris reticulata is often called the violet-scented iris and until Violet Beauty alerted my nostrils I had thought of all as having a distinct but somewhat elusive perfume.

There is nothing elusive about this one though that description would fit some of the others and one had no scent that I could detect but maybe that was something to do with the age of the flowers. One of the pleasures of visiting RHS shows now that the ban on plant sales has been removed is that plants on offer are often in bloom and so one can see what one is getting.

I would remind readers who love snowdrops that now, as they are finishing flowering, is the best time to lift and divide them if overcrowded and so have plants to extend the plantation or give to frends so that they may share our pleasures. It is also the time to purchase new varieties but only from specialist nurseries prepared to lift plants now.

There is an increasing number of them, though some are quite small enterprises only able to supply the limited clientele that has somehow sought them out.

However, a few, including Broadleigh Gardens of Bishops Hull, Taunton, and Avon Bulbs of Bathwood, Bath, conduct a considerable mail-order trade. But the really big bulb growers only market snowdrops in the autumn as dry bulbs, and these do not resettle so well.

For those interested in roses there are demonstrations of rose pruning in the display garden of The Royal National Rose Society, Chiswell Green Lane, St Albans, Hertfordshire, on Saturday and Sunday February 26 and 27 at 11 am and 3 pm each day.

Divide snowdrops now

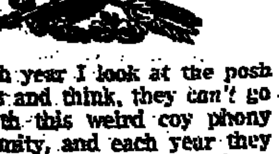
No charge is made and all are welcome. The garden is within a short distance of the M1 motorway. If the weather is bad the demonstrations will be given under cover.

Paul Jennings writes about a growing newspaper industry

You were my Valentine, weren't you?

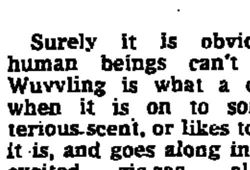
WHAT ON earth is the point of a Valentine? If you know who sent it, what makes it any different from any old birthday or greetings card? And if you don't, how has the sender displayed any more public devotion than the people who insert ads thanking St Jude for some favour received, secretively signing themselves something like A.S.B?

If A.S.B. can't come out into the open and say he is Arthur Stanley Briggins, of Garth Toft, Enginehouse Lane, Esher, Surrey, declaring before all the people that his prayer to St Jude that the dry rot all over the first floor of his house would go away was miraculously answered overnight, what kind of thanks to St Jude is that?



Each year I look at the posh papers and think, they can't go on with this weird coy phony anonymity, and each year they get coyer. Susy Pops, I hope you have a smashing day love Decy Poos said one in God knows how many hundreds of them in The Times on Monday, or Potbelly loves his darling Sandy, etc, etc.

After all, the anonymity of the postal Valentine is weird enough (let alone its expense; who are the people that will pay five quid for a hideous red velvet heart surrounded by Disneyland cupids?). If the recipient is a happily married young woman, will it not embarrass her to suspect that this object was from the divorced sales rep who moved into No 12 last year and who always seems to be washing his car when she walks past? If unhappily, why all the secrecy in these permissive days?



But above all, who are the people that pay, I do not doubt, at least £5 for these posh-paper ones, and since they are not in any alphabetical order, how does Iron Cuddles Man or Your Twiddly Pooshun or Rabbity Boo know that Wigglums will find or even look for his message unless he tells her, thus losing the pleasure (if such it be) of anonymity? I simply do not get it.

I Invented Iron Cuddles Man. But just in case you think it is only right-of-centre sentimental bourgeois readers of The Times who do this kind of thing, here are four from last year's Guardian which I have saved — indeed I bet I treasure them more than their recipients did. (1) To Tooty Poops with all my love, Binky Boo Boos. (2) Rickie-Poo loves his Glorybell. Be my potato dumpling today. (3) And wuvvle we said wuvvle we will wuvvle. (4) Big Drip loves his little Girly Wirly, Woof Woof.

Dash it all, you can get quite a good meal, with a demi-carafe of the house wine — or, in the presumably not unlikely event of the recipient being literate, even a real hardback book—for what some of these cost. And how is one to explain the curious word-blindness, or rather deafness, or at least insensitivity?

Surely it is obvious that human beings can't wuvvle? Wuvvling is what a dog does when it is on to some mysterious scent, or likes to pretend it is, and goes along in a quick, excited zig-zag, alternately growling and sneezing. "Where's Rover?" "Look, there he is, wuvvling under that tree. Come here, Rover!" (On second thoughts, maybe this word wasn't so far out.)

There is an unavoidable impression, after reading page after page of this sort of thing, that all the people who go in for it know each other, in the way that all flautists know all other flautists, all cab-drivers know each other, in those little green sheds they have on the pavement.

One can almost see them, living in some kind of permanent house-party-cum-commune, an enormous white apartment block with swimming-pool, discos and the rest of it, in some place like Richmond or Canonbury. But what makes Binky Boos so sure that Tooty Poops will wade through about three pages of such stuff before she gets to him? She was always rather a flighty one; might she not suddently think it would be more fun to be Rickie-Poo's potato dumpling, before her eyesight starts reading all that small print?

Whatever it's all about, I'm pretty sure that the recipients are not like those unknown, ideal, never-actually-met women beloved of the early Troubadours. No secret, veiled beauty is going to hear a deep, manly voice murmur "Tooty Poops!" in the passing throng, some weeks later, in the high Spring of lovers, turn in wonderment

SAUSAGE SIDES.—I think I'll love you forever. — THE BABOON

HOGWOG. — I wallow in your love. Grunts and snuggles.—F.B.

WOMPITTY.— Lots and lots of love. —B.B.

and say "You? Binky Boos?" . . .

According to a book which I have to hand (since I wrote it: A Feast of Days, a saint and diary extract for every day of the year, advt), last Monday was also the feast of "St Vitalis, Fechula and Zeno, St Eleucodius of Ravenna (d 112), St Vivienne of Teramo (d 273), St Maro of Syria (d 390), St Auxentius of Bithynia (about 470), St Antonine, Abbot of Sorrento (about 830), or St Bruno and Eighteen Companions (martyred in Prussia, 1008).

St Valentine was a Roman martyr of the third century; and the practice of sending love-cards (anonymous or otherwise) on this day has nothing whatever to do with him, but possibly something to do with an old belief that this was the date when birds started mating."

But surely not anonymously?

And so to bed . . Pepys at 350

BY ANTHONY CURTIS

Next Wednesday is the 350th anniversary of the birth of Samuel Pepys. It will be marked by the publication of the two final volumes of the Latham and Matthews edition of the Diary.

The complete text of the Diary which Pepys kept between the ages of 27 and 36 (from 1660 until 1669) has already been published in full including those erotic passages which Sir Leslie Stephen said "cannot possibly be printed." It occupies nine volumes; one for each year. The fortunate people who possess them have been waiting since the appearance of Volume IX in 1976 for the fulfilment of a promise:

> This edition will comprise eleven volumes — nine volumes of text and footnotes (with an Introduction in volume 1), a tenth volume of commentary (the Companion) and an eleventh volume of Index. It will be published in *instalments over the course of* the next few years.

Apart from the miscalculation in the use of the word "few," this promise, made in 1970, has now been kept, with the appearance on Wednesday of the plump *Companion* and its slimmer sibling, the *Index*.

It would be superfluous to shower any more praise on the *two editors*, Robert Latham and William Matthews, for the impeccable scholarship with which they have discharged their task. In the event it was a double task, first one of establishing and interpreting the text from the system of shorthand used by Pepys (not his invention, incidentally); and second, presenting that text in an accurate, lucid, convenient form for the ordinary reader. As C. P. Snow said in the Financial Times when reviewing an earlier volume, the whole operation represents "a triumph of modern scholarship . . ." Sadly *one of the two editors*, Professor William Matthews of the University of California (whose Press publishes the Diary in the U.S.), did not live to see the two last volumes appear. It was Prof Matthews, a language expert, who prepared the new transcription from Pepys' original manuscript. The manuscript belongs to Magdalene College, Cambridge, where Pepys was a student and to which he bequeathed his collection of 3,000 volumes. These volumes form the Pepys Library housed in its own building, containing the specially designed bookcases which Pepys had made for them *(see drawing, right)*.

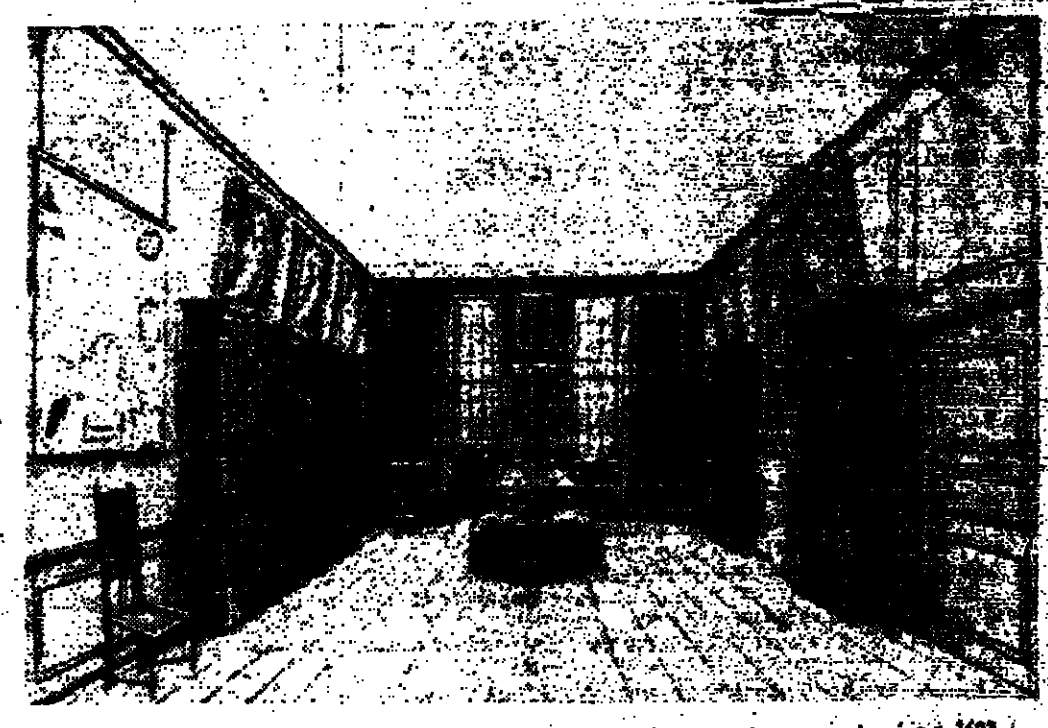
Robert Latham, the other Diary Editor, is the present Pepys Librarian at Magdalene, and in addition to his work on the Diary he is also general editor of the *Catalogue of the Pepys Library* which is currently being published by Boydell and Brewer. For those who cannot afford the considerable investment of time and money required by the complete Diary, Mr Latham has prepared *The Illustrated Pepys*, a charming pictorial volume in one volume, giving a flavour of the contents of each of the nine years of the whole, though it must be added that this cannot *really be a substitute for reading* through the complete work with its continuing sense of immediacy: watching, for instance, in volume I the Restoration of the monarch become ever more imminent day by day, as General Monck descends on London, and in consequence the sharp upturn in Pepy's own career prospects as "My Lord" (Edward Montagu) comes back into favour from the wilderness.

Mr Latham is also the main writer and compiler of the *Companion* volume in which he has called for aid from an impressive list of historians and scholars. Their various fields stretch across the range of interests of a diarist who was the very embodiment of the 17th century *virtuoso*. These interests include politics, military and naval history, music and the arts, the weather, health, Whitehall, the City, the dockyards. Thus although the bulk of the volume is the work *of Dr Latham*, the short entries identifying individuals are interrupted from time to time by more substantial articles of a general nature written by his contributors.

Pepys was a great playgoer and the Diary is peppered with accounts of his visits to the *theatre. There are two articles* covering this area. One is by Peter Holland on "Theatre" telling the story of what happened to the ownership and administration of the theatres in Restoration London, explaining how Sir William Davenant and Thomas Killigrew achieved a virtual monopoly, and the *rivalry between their two companies*. The other by Richard Luckett on "Plays" gives an insight into the working of the Restoration repertory system and names the work of those playwrights whom Pepys, not an easy man to please, especially enjoyed. He saw Dryden's *Secret Love* seven times.

Mention of Dryden may serve to illustrate the usefulness of the *Companion* to someone who wants not to read but to consult the Dairy. He remembers that there was some close connection between Pepys and Dryden but cannot quite remember what it was. His first port of call is the *Companion from which under "Dryden"* he learns that they were up at Cambridge together in the 1650s and also distant cousins. They had slightly similar careers as young men, in the public administration, and in 1699, Dryden accepted a suggestion from Pepys that he include Chaucer's Parson's Tale among the pieces he translated for his *Fables*.

What our researcher does not learn is where, if at all, Dryden appears in the *Diary*. For that he must turn to the *Index* volume where there are three references given (one in 1664 and two in 1667), the earlier *being an occasion when Pepys* came across Dryden in Wills Coffee House but did not have time to stop and talk. This same apparatus, easy to use, works equally well for all the hundreds of individuals mentioned in the Diary and the diverse topics and places on which it touches.



Pepys's library in York Buildings, King Street, off the Strand from a contemporary drawing c. 1693

This is the fourth separate edition of the Diary since the first appeared in 1825; and it is inconceivable that it will ever need to be edited again. It was a fortunate day for the publish*ing house of George Bell when* they took over the firm of Henry Bohn and thus acquired the copyrights in the original Braybrooke edition of Pepys. Bell published each subsequent edition and now as Bell and Hyman have brought out this definitive edition.

The present chairman, Robin Hyman, tells of one lighter moment during its gestation, when, in 1967, the Inland Revenue, hearing about a new edition of the Diary, sent Mr Pepys an Income Tax form c/o his publishers containing questions like, "If you are in business please state the nature of that business."

There will be a commemorative service for Pepys in St Bride's Church on Wednesday and there is a Pepys Exhibition in the Guildhall Library open until April 5.

The Complete Set of "The Diary of Samuel Pepys" (Volumes I to XI) edited by Robert Latham and William Matthews (Bell and Hyman) £140.00. Volume X (Companion) £19.50; Volume XI (Index) £19.50; Volumes X and XI, bought together, £35.00. "The Illustrated Pepys" selected and edited by Robert Latham (Bell and Hyman) £9.95 (hardback), £5.95 (paperback).

Fiction

Strange disturbances

BY MARTIN SEYMOUR-SMITH

Separate Tracks
by Jane Rogers. Faber & Faber. £7.95. 207 pages.

The Killing Ground
by Mary Lee Settle. Farrar Strauss & Giroux/Faber & Faber. £8.25. 385 pages

Three-Six-Seven
by Peter Vansittart. Peter Owen. £8.95. 236 pages.

Disturbed adolescents and delinquent behaviour are common subjects in contemporary English fiction, and we have seen some informative and revealing novels — mostly by *those who have experience of* the field. There can have been none better than Jane Rogers' harsh, lyrical, and relentlessly realistic *Separate Tracks*. Thirty years ago this would have been "shockingly frank"; even today it is almost intolerably candid, although in an entirely admirable way.

It deals with a sullen, violent, almost inaccessible 16-year-old boy, abandoned by his mother, who lives in a children's home run by a character called Mrs G. —a memorable character, to whom *those engaged in social* work, or in charge of social workers, might well give some attention.

Emma, who is doing pre-university social work, is anxious about middle-class privileges. She is well-intentioned and honest, but has yet to learn the realities of the *situation. Seeing in* the boy's silence a sort of self-confidence which she herself lacks, she tries to help him. But communication between them is impossible — the most tragic and sharply demonstrated fact of Jane Rogers' uncompromising novel. The violent and shocking end is inevitable.

Emma's feelings for the boy, and his stifled ones for her, are presented without embarrassment: they have a kind of lyrical quality, for all that this is muted and condemned. *Separate Tracks* does not set out to make social comment. But, like most novels which begin as imaginative statements, it contains much: its title, and the implications of this, will cause many to reflect on the alleged dissolution of class barriers. But first and foremost this is a sad and dramatic story, deeply felt although never stridently written. It is a remarkable first novel, breaking new ground in an already much explored area.

The Killing Ground is the fifth and last of Mary Lee Settle's series of novels with the general title "The Beulah Quintet"; originally a trilogy, about the settlement of West Virginia between 1754 and 1774. It has been praised as not "formula-ridden" on the one hand, attacked as "sugar-coated popular history" on the other. This latest book, set in modern times, lies uneasily between the two extremes. It is diffuse, too long, and full of *longeurs*.

Hannah McKarkle has escaped from her conventional family to live in New York. But when she hears that her *beloved brother Johnny has* died in jail, she returns to discover the truth. She is disconcerted to find that the "best" people are in every way inferior to the "ordinary."

Jane Rogers: story of a 16-year-old

unpretentious ones. The best aspect of her novel is its attempt to treat of a "collective history" of the region — it reminds one of the Spanish thinker Unamuno's concept of *intrahistoria*, the unwritten history of the "folk," a vital history which is neither good nor bad, but which is indispensable for understanding.

Hannah McKarkle discovers that she has to liberate herself from her own violent southern past all over again, since the story of her brother Johnny and his death holds some unwel*come revelations. This novel* will not be easy for English readers who have not visited the American South to understand. It is also, unfortunately, clogged up with irrelevancies. But the effort to read it is worth making; it affords a valuable glimpse into a strange and in many ways archaic culture.

Peter Vansittart is a strange and unusual writer; he may well be the best English historical novelist now writing. *Three Six Seven* is set in the year of its title. England is now on the rotting periphery of the Roman Empire. So thinks Drusus Antonius Muras, as he takes stock of the situation at the town of Silchester. The country is tax-drained, and subject to increasingly savage barbarian raids. However, Drusus decides that if a person acted carefully he might be able to take over this island. He plans to take the chance and do so himself.

The story is a subtle allegory of the position of Great Britain today, and it is also a meticulous and exciting historical novel.

Hollywood hoo-ha

BY RICHARD LAMBERT

Indecent Exposure: A True Story of Hollywood and Wall Street
by David McClintick. Columbus Books. £10.95. 544 pages.

Indecent Exposure is a nasty piece of work. It deals with an *unpleasant cast of characters* who act in an unsatisfactory manner through a series of unsavoury events. Because its subjects are of essentially no political, economic, or human importance, the only reason for the existence of its 544 pages can be that the subject matter—dirty doings in Hollywood boardrooms—is perceived to be good box office.

There is nothing very unusual about that. Authors have been compiling tittle-tattle about movie moguls almost since the first image flickered across a screen. But *Indecent Exposure* claims to be something different.

"Everything in this book is real," asserts its author, David McClintick, who spent 11 years on the staff of the Wall Street Journal — "every episode, scene, weather reference, conversation and name (except for that of a single confidential source.)"

It is based, we are told portentously, on hundreds of hours of interviews with more than a hundred people, all of whom had detailed, first-hand knowledge of the subject. And just in case anyone has missed the point, high in the list of acknowledgements stands "Robert D. Sack, the finest libel lawyer in America and, not insignificantly, an astute editorial critic."

The story itself is simply told. In the early 1970s the investment firms of Allen and Company buys into ailing Columbia Pictures, and installs one of its employees, Alan Hirschfield, as president. A former Hollywood agent, David Begelman, is put in change of production, and the studio turns out a string of hits.

In 1976, however, Begelman forges the name of actor Cliff Robertson on a cheque for $10,000. The embezzlement is discovered, and on further investigation it turns out that Begelman has misappropriated a total of $61,008, and fiddled his expenses to the tune of another $23,000.

Hirschfield wants to fire him, but runs into stiff opposition from powerful figures on Columbia's board, who appear to think that what Begelman really needs is a good shrink. After much shilly-shallying, *both Begelman and Hirschfield* get the chop.

In his pursuit of "the truth," McClintick has decided that mere narrative would be inadequate. "Human beings," he says magisterially, "do not speak in paraphrase." Therefore he has taken it upon himself to recreate lengthy dialogues in an apparently verbatim fashion.

Despite his access to all those hundreds of hours of interviews, there has been wide speculation that his confidential source of information was none other than Alan Hirschfield—who, to put it mildly, had an axe to grind.

Having gone so far, it is a small step for McClintick to move, God-like, into the minds of his characters:

> "Sitting at home on a Sunday three months later, Begelman decided to proceed with his plan for concealing the Pierre Groleau embezzlement."

If this is history, it is strictly that of the "Hitler sat in his bath and decided to invade Poland" category.

What makes the book even more distasteful is that the characters, although ostensibly drawn true to life, are in reality nothing more than caricatures. The goodies have loving families, and referee football matches. But the home life of the baddies is terrible.

On two separate occasions, the names of one character's recent lovers are faithfully recorded; no wonder he has "slightly sunken eyes." Another of McClintick's villains is known as the Rabbit—

> "although many people assume that the tag originated as a sexual reference, it actually was a physical description coined by Fanny Brice, who was to become his mother-in-law in the 1940s."

This style is typical of the author at his nastiest. *Indecent Exposure* apparently came to view in the form of grubby Xerox copies, which were passed from hand to hand among the Hollywood cognoscenti. It seems a strangely appropriate form of publication.

One could go on for some time, but mindful of the author's warm relationship with the finest libel lawyer in America, it may be more sensible to dwell on the one good thing that has come out of this book—a truly scorching review by Gore Vidal which appeared in the New York Review of Books last autumn.

He said:

> "The implicit moral of *Indecent Exposure* . . . is not the story that the book tells but the book itself as artifact, the work of a writer who believes that he can take real people and events and remake them, as it were, in his own image. Worse, he is so filled with an odd animus toward most of his characters that he repeats accusations that he knows to be untrue so that he can recant them, slyly, in footnotes to the text."

It would have been better, Vidal concluded, simply to "tell the truth as far as the truth can ever be determined. That is what used to be known as journalism."

I couldn't have put it better myself.

Fathoming the French

BY MALCOLM RUTHERFORD

The French
by Theodore Zeldin. Collins, £12.95. 542 pages

The French spend a smaller percentage of their income on clothes than any other nation in Europe. They also import more dogs — about 400,000 a year, mainly from England. About 34 per cent of French homes now have one: the figure for England is 23 per cent. Moreover, the dog population in France is expected to double by the year 2000 (in England it is static) so that there might even be more French pets than French people.

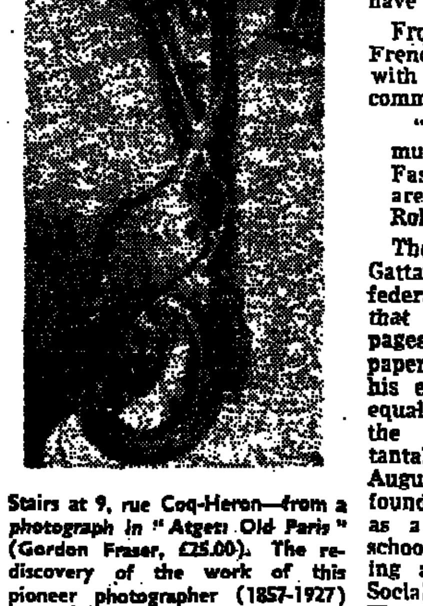
The French also have one of the lowest consumptions of eggs, partly it seems because eggs used to be considered bad for babies. They are low on architects too: only 12,000 against 24,000 in Britain and 40,000 in (presumably West) Germany. Italy outstrips the lot.

The Academie Française only accepted "humour" as a French word — as distinct from *esprit*, meaning wit — in 1932. The newspaper *Le Monde* now contains one English word in every 166.

A French journalist once went along to interview John Kennedy only to be told that he had decided not to bother any more about Franco-American relations because it was a pure waste of time.

One could go on, but that would be almost to plagiarise if not to parody. Theodore Zeldin is a master of producing interesting facts. He is rather less good on organising his material and drawing conclusions, or what he himself calls being "schematic."

His massive two-volume *France 1848-1945* was sub-titled *Ambition, Love and Politics* and *Intellect, Taste and Anxiety* not from any great historical insight, but one suspects because in a random way all those themes were touched on. It was from there, for instance, that one learned that in 1909 half the taxis in London were Renaults, and a great deal of extraneous information besides.



Stairs at 9, rue Coq-Heron—from a photograph in "Atget: Old Paris" (Gordon Fraser, £25.00). The rediscovery of the work of this pioneer photographer (1857-1927) has revealed a rich haul of sepia plates

Yet if Zeldin is not the best historian—and to be fair he is much more a sociologist—what one failed to realise from his earlier work was his potential as a journalist. He is superb. *The French* is the proof of that.

He can still be pretentious: for example, his comment on Brigitte Bardot: "She must be seen in the total context of attitudes to sexuality." But it is rare for an Oxford don to have interviewed her at all.

From Yves Montand, another French movie star associated with the Left, he drew the comment:

> "It is better to be a Communist in a Rolls than a Fascist in a tank. . . . There are bastards who do not drive Rolls-Royces."

There is a sketch of Yvon Gattaz, head of the French federation of employers' unions, that would have graced the pages of any financial newspaper: "Gattaz wants to make his employees happy, but not equal. The boss must remain the boss." And an equally tantalising few pages on the Auguste Comte Institute founded by President Giscard as a kind of super business school for those already practising and closed down by the Socialists for being too elitist. The Institute held no lectures, only discussions, but it got to the heart of business problems in a practical way. Analysing, for instance, the problems of the French timber industry, a small group went to Sweden to see the competition, dissected the bureaucracy in Paris and found that the French could compete after all: "They found the irrational factor."

Oddly enough, Zeldin does have insights as well as a talent for reporting. He notes of the Comte de Paris, the pretender to the throne, that he refused to attend the weddings of two of his children on the grounds that his prospective in-laws were beneath him. "The different fates of the British and French royal families," he comments, "is due not to fundamentally different popular mentalities in the two countries but to the skill of one family and the incompetence of another."

He is perceptive too in stressing the affinity between France and the U.S., despite what President Kennedy said to the French journalist. Quotations illustrating the French admiration of America are scattered throughout the book and there are good historical reasons for it. Even today the Socialist President Mitterrand is not wholly out of time with a Republican Administration. By contrast, the French fascination with Germany is understressed to a degree that suggests further research is necessary.

A word of warning. The first chapter showing Zeldin trying to organise his theme is awful. "The world is divided into cat lovers and dog lovers," he writes. "My argument is that the French are both cats and dogs." So is part of the last: "The only classification that I find satisfactory is between the warm and the cold."

Ignore them: In the intervening 500 or so pages you have an anatomy of France as it is, par excellence.

HOW TO SPEND IT

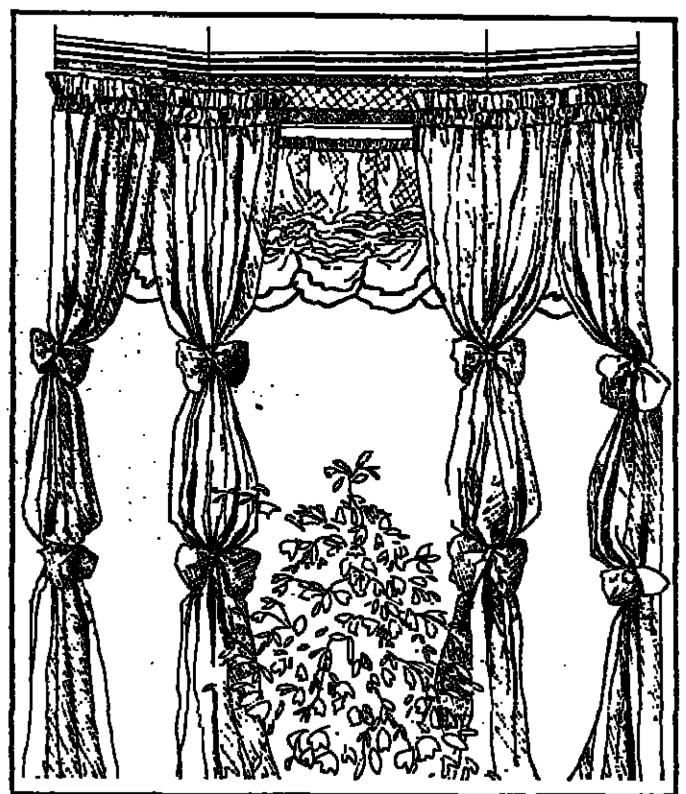
by Lucia van der Post

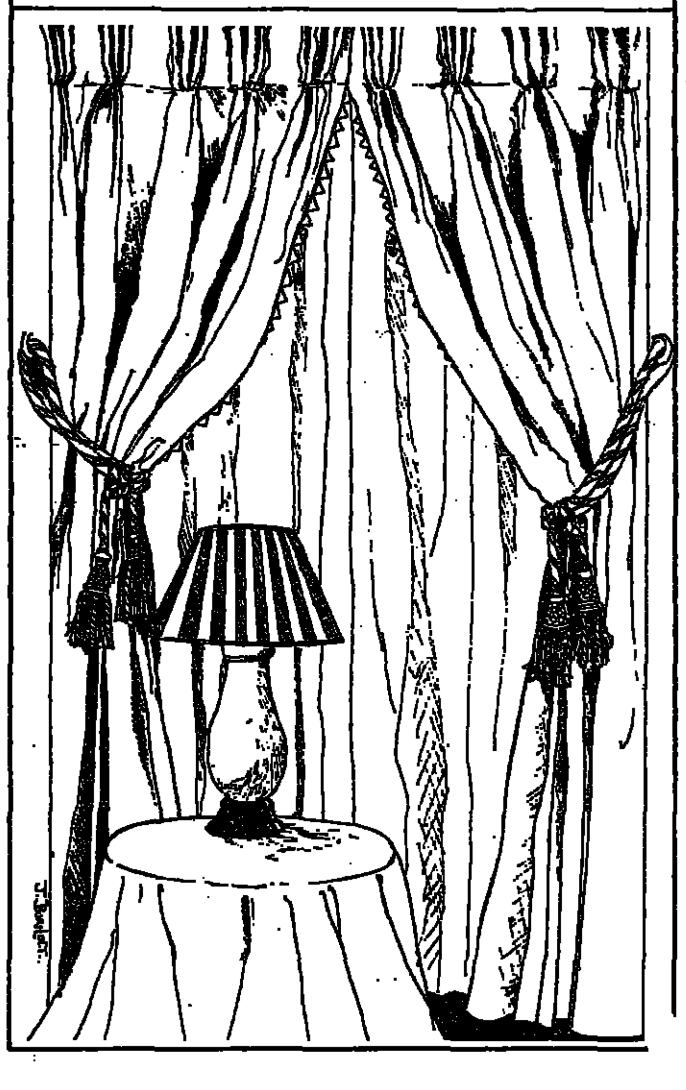
● *The Nina Campbell way with curtains can be summed up very briefly—never stint on them. Rather buy lots of inexpensive fabric and have it expertly made than buy expensive fabric and use the little woman round the corner to make it up. Again if money is short she advises using more of a cheaper fabric rather than less of an expensive one.*

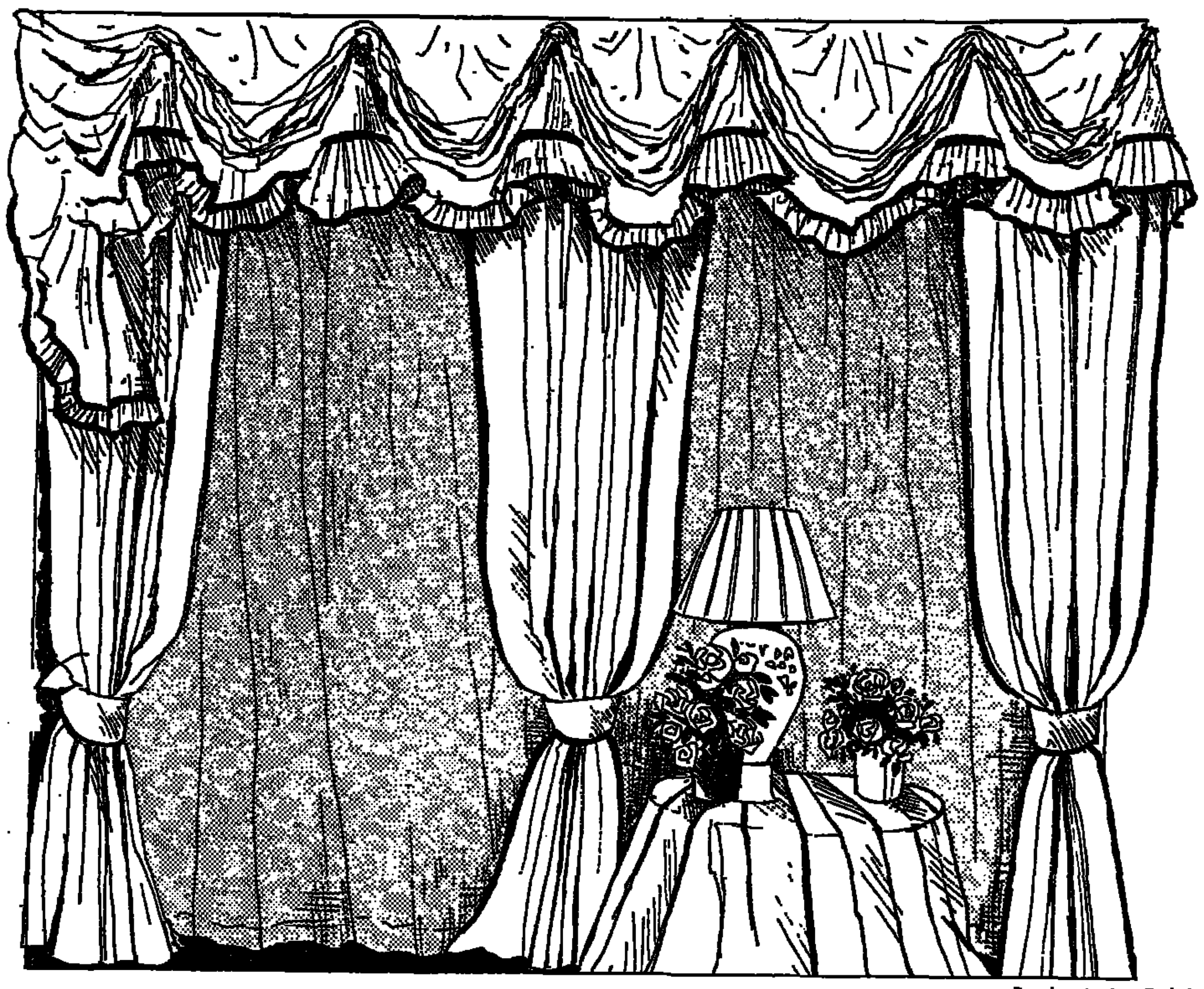
She often binds the edges of her curtains to give them a finished look. In the sketch far right can be seen her own bedroom curtains—she bought acres of special offer cream chintz at £1 a yard and bound the edges in green braid.

Near right top is an idea that she used in her own drawing-room—the inner curtains are purely decorative. Made of unlined silk they have been gathered twice. The outer curtains, of a contrasting material, are the ones used when she wants to shut out the world.

Near right below, she uses two layers of curtains—the outer layer hangs plainly while the inner layer is swagged back to give a sumptuous air.







Drawings by Jane Burholt

Call in the professionals

In Britain decorators are thought to be "elitist." Nina Campbell believes we've got it wrong

THERE is an aphorism, coined, I need hardly say, by an American designer which runs like this—"only the very rich can afford not to employ a decorator." It is an aphorism with which most of middle America seems to agree—that is, decorating a house in America is seen to be a professional business requiring expert knowledge and it is as natural to consult and pay for such know-how as it would be to pay for a dentist, a lawyer or an accountant.

In this country it is, certainly in the circles in which I move, not really "on" to employ a designer or decorator. An architect yes, if structural works and wall-moving is required. But a decorator? Heaven forbid.

Nina Campbell, who describes herself simply as a "decorator" and who has become known *for* her gentle English country house interiors, believes ardently that those decorators who do their job properly can save their clients hours of hassle and indecision but, more importantly, can give them a heightened sense of enjoyment of their own home for a sum that can actually cost less than if the householder had done it on his or her own.

It isn't perhaps generally known that decorators, if given a whole house to do, make their money not by charging the client, but by the margins on things like the furnishings, the carpets, the curtains, the furniture—they can buy at trade price and charge the customer the retail price.

For those who don't have the wherewithall to do a whole house at once, most decorators, Nina Campbell among them, are happy to charge for their time by the hour, giving the householder a kind of masterplan to which they can work as and when money becomes available.

If the consultancy fee seems high—it runs to £100 in London and £150 in the country—remember that it is buying years of know-how and expertise. It often buys a simple solution to a seemingly insurmountable problem, an effective but less expensive way of providing a certain effect, as well as access to teams of craftsmen, upholsterers and the like.

To get the best out of a decorator you need to be prepared to put a lot of effort in yourself—Nina Campbell says that her least successful houses are the ones where the client takes no interest at all. She prides herself on the clients who end up thinking they did it all themselves—because she has involved them so much in the project that she has managed to give them what they only half-knew they wanted.

It is crucial to find a decorator whose broad band of style you are in sympathy with. Whether it be Robin Guild of Homeworks, Mary Fox Linton, Tessa Kennedy, David Mlinaric—each has a "flavour" which is all his or her own.

The Nina Campbell touch can be seen at her two small shops in Walton Street, London, SW3. At number 48, she sells small accessories—like exquisitely pretty cushions, French *porcelain, small* pieces of *antique* furniture, her *own* fabrics. At number 54 which opens this week, she will run her decorating office but she will be selling some ravishing cane furniture from France, a collection of rather formal furniture by Jacques Leguennec, and a large range of fabrics and wallpapers. Her assistants will be primed to advise and help every customer, whether buying a small piece of fabric or wanting a whole house done up.

In the meantime for those who just want a few ideas to perk up the house they're already in, Nina Campbell offers some thoughts on how to give a house that special look.

If you can't afford to spend a lot of money on preparing a poorly-plastered wall it is very effective to use some inexpensive fabric like red and white ticking to cover it—it can either be paper-backed by a new process and then stuck up like wallpaper or it can be attached to battens.

Never skimp on the quality of soft furnishings—things like beds and sofas—the difference in price between good and poor quality is a small proportion of the total bill. In other words it is better to buy well once, than poorly first time round and have to buy again.

Flooring—if you're short of money use coconut matting and later on invest in rugs which can last a lifetime and be moved from house to house.

Tables—if the dining table isn't of high quality you can cover it to the floor with one fabric and then put a shorter cloth (with an 8-inch drop) over it which you can change according to mood and colour scheme.

Lighting—is best done with substantial table lamps (for reading they work well if large enough, high enough and fitted with a high wattage lamp) and then use spotlights where necessary.

Colours—warm colour schemes work best in England and it is a good idea to start with a base colour—say terracotta—and then work in shades of it through the house. Particularly in small houses and flats it is best to avoid abrupt changes of colour schemes—link the rooms by using carpets either in the same colour or in tones of the same colour.

Linens—"I've had my romance with Percale and now I think there is nothing like pure white linen sheets to give a feeling of real luxury. I don't like a bedspread on the bed—you just have to keep taking it on and off and then where do you put it? I like to have a very pretty eiderdown and masses of very pretty pillows."

Guarding the cells

Pauline Rosenthal

NOWADAYS most of us have at last realised quite how much damage the sun can do to our skins. The beauty experts and dermatologists have been doing their best to tell us for the past 10 years or so. At this time of year there is not too much danger in Britain but it is the height of the skiing season and skiers have long been warned of what the combination of cold winds, glaring snow and scorching sun can do to their skins. It is the ultra-violet rays that do the real damage, going right down into the lower levels of the skin, damaging the growing cells.

So, for those who want to go on skiing but mind about caring for their skins, many beauty houses have produced increasingly sophisticated products that do more than one job well. In recent years there has been a whole spate of products, in particular moisturisers and foundations, which have a sunscreen built into them as well.

This means that most of the newer moisturisers and foundations will now give you considerable sun protection. Good examples of the latest of these protective products is Charles of the Ritz's Optimum Balance moisturiser, Lancome's Bienfait du Matin Protection and Helena Rubinstein's new Fluide Mat tinted foundation in six shades formulated with a sun filter called Cinnoxate to shield the skin. However, these products are mainly useful for winter sun *away* from the snow.

You will almost certainly need greater protection when you are out on the slopes and this is afforded by the sun block creams. As most people now know, sun products are available in varying strengths and these strengths are indicated by sun Protection Factor numbers that are given on the products.

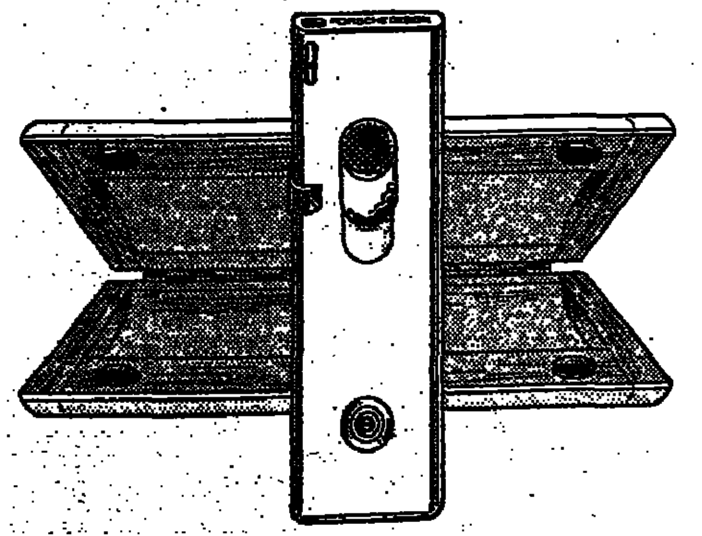
Low numbers are only for those people who tan easily and these products have an SPF of three to eight. They are not really suitable for high altitude sunlight. A really effective sun block cream is best and this has an SPF of 10 to 15. Nowadays you can get them lightly tinted as well as untinted. Try Estee Lauder's Sun Block cream or there's Vichy's Total Sunscreen, Almay's Sun Bloc Creme and Roc Antisun tinted foundation to choose from.

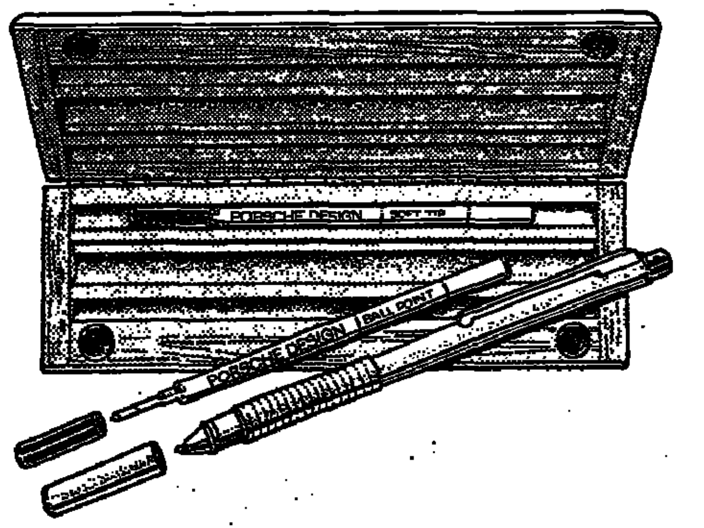
In case you find that you have not given your face enough protection and it gets burnt, be sure to take one of the super rich treatment, night creams made with collagen which will help to ensure that you have not done any long-term damage.

Most of these creams are a mixture of animal protein and sugar protein and they are now available in soluble form that is readily absorbed by the skin and give it an intensive deep-down treatment. Boots No. 7 Special Collection have Cream Concentrate with collagen. Revlon make European Collagen Complex (created by leading skin care specialists in Rome, Copenhagen, Paris and Geneva).

Two special collagen night cream formulas especially for older skins. Orlane's new Ligne Pure Compose Fluide Vesperale and a new cream by Roc called Sensilis R Wrinkle Treatment Cream, have been developed using the latest medical and cosmetic expertise: both are designed to stimulate cell renewal and being hypo-allergenic, are suitable for even the most delicate complexions.

JOAN PRICE





Drawings by Frank Wheeler

Posh Porsche

THE PORSCHE name, once exclusively linked to the marvellous sleek cars emanating from the family firm, now has also begun to be linked with a group of products that are gaining just as much of a name for excellent quality and technical innovation.

First products from the Porshe design studio run by Ferdinand Porshe (he who, when with the car firm, was responsible for the famous S-911) was a group of sunglasses and watches. Then came ski-goggles (still, I think, the most elegant of them all) and luggage. The latest collection is a group of products based on titanium.

Attracted by its physical properties—it is rather like fine steel but about 50 per cent lighter—the studio has used it to produce uniquely beautiful objects.

Don't expect anything from the studio to be cheap—almost all the products are expensive in terms of their rivals on the *shop shelves. But, as Ferdinand Porsche once told me,* "price is not what I'm interested in, it is the right products from the right material that matters to me".

Sketched here are two of the latest designs, on the left is a titanium lighter (it weighs just 47 gm, is only 5.5 mm deep and has a very high-tech lighting mechanism). On the right is an exquisitely light and elegant pen fitted with a ball point. The lighter is £70, the pen £85 — both are beautifully packaged in fine wooden blackened teak boxes. Find the titanium collection in Harrods, Simpson of Piccadilly, London SW1 and all Porsche car centres.

Pushbutton opera

VIDEO

NIGEL ANDREWS

As one whom the full moon sometimes attacks with sudden opera fever, causing me to bay and howl outside (or even inside) Covent Garden, I welcome Longman Video's new venture into opera on videotape. *Aida, Otello, Nabucco, Mary Stuart* are all now in pushbutton form, and you may buy the golden voices and star presences of such as Kiri Te Kanawa, Piero Cappuccilli, Fiorenza Cossotto, Renata Bruson and Dame Janet Baker.

After the televised *Ring* it was only a matter of time before video prospectors started staking mighty claims on opera. Longmans have gone to the Arena di Verona for their three Verdi productions, the Coliseum for *Mary Stuart*, and visually and vocally the results are a feast.

The Verona *Otello* takes place in a velvet dark night on a mighty sweep of light-rinsed stone tiers and stars the stentorian Vladimir Atlantov as the Moor: plus Cappuccilli raising the roof (if there were one) as Iago and Te Kanawa nightingaling away resplendently as Desdemona.

Aida doesn't quite out-spectacle the first ever *Aida* I saw—indeed the first *opera* I saw—at the Caracella Baths in Rome. Camels and horses, and for ought I recall elephants, tripped the light fantastic in the Triumph scene, and the Ethiopian princess vied boldly with *sforzando* cries of "*Gelati!*" from ice cream sellers in the audience. Here, in fine triple form, Maria Chiara (Aida), Nicola Martinucci (Radames) and the trombone-toned Cosotto (Amneris) hurl forth noises with which no ice-vendor could compete.

The production was directed for television by Brian Large, TV's Bayreuth *Ring* supremo. My only severe criticism—apart from a wobbly stretch of sound on my copy in Act 1—is that too much cutting between details in the Triumph scene obscures the overall panorama. Elsewhere, though, splendid.

Before I am flagged down for trespassing by this newspaper's opera critics, let me hasteningly add that *Nabucco*, the third Verdi-in-Verona production, features R. Bruson and the rousing tones of "Va Pensiero": and that *Mary Stuart*, already TV-aired, is the poignantly preserved farewell ENO appearance of Dame J. Baker. Happy opera going.

Longmans have also ventured forth into the field of instructional video. Their specially produced *Dinosaurs—Fun, Fact and Fantasy*, a trip round ancient natural history aimed at young viewers, is an object-lesson in how to sugar the pill of pedagogy with a little fly-by humour. With its jingly songs, paintbrush graphics and goofy-jawed crocodile narrator named Dill, it's perfect for children and will do very nicely, thank you, for adults as well.

Although few people of any age could quite grasp at one viewing the historical ground plan or the names of the different dinosaurs (they're cheerfully hurled at us in song at regular intervals), video does allow replay and this tape has the charm to encourage it. The puns are of an enjoyable awfulness ("There goes an odontosaurus"—"Do you think he saurus?") and it's directed and presented with wit, fun and invention by David Doig and Derek Griffiths.

Equal-best education video of the month is *The Entertaining Electron* (Guild Home Video). No dinosaurs here, but we do have Frankie Howerd. Mr H. with the face of a distressed bassethound and the voice of a kitchen-blender *in extremis*, hoves-to briefly as the guest star of this voyage around TV technology. Now, as seldom before, you will understand how lighting, sound and computerised camerawork function for your small-screen entertainment. Chris Cook directed: Howard Steele and Dr Boris Townsend with admirable lucidity present.

Finally, in a week that ushers into Britain the new Antonioni film, sample in video a famous older one: *Blow Up* (MGM). The Swinging '60s have fallen down the oubliette of history, so we can at *last* view this movie as its own *sui generis* parable: not as a wobbly social chronicle made by a presumptuous foreigner. Antonioni dresses up a perfect, teasing, intricate fable about fantasy and truth, mystery and identity—the themes are astonishingly close-kin to *Identification of a Woman*—in the peacock-tail coat of many colours that was '60s Britain. David Hemmings and Vanessa Redgrave star. The MGM technicians provide excellent picture-quality.

A detail from "Spindrift" by John MacWhirter

The British landscape

BY WILLIAM PACKER

Landscape painting is not *exactly a British preserve, but* that has not stopped us one bit from priding ourselves on the peculiar talents we have so long displayed within it. Whether it is a taste for Art, however, that makes us boast so freely, is rather more open to doubt.

It is the landscape itself that we love, the open air and the call of the wild—ours a safe and sentimental, view-admiring, country-cottage-taking romanticism, with an atavistic regret thrown in for Forest of Arden as it was in the Golden World. The Art is just a by-product: and what surely will fill the Hayward Gallery these coming weeks (until April 17: then to Bristol, Stoke and Sheffield civic galleries) is no particular *relish of painterly quality and* virtue, but the simple, natural delight in the known, the familiar and the recognisable, and the poignant recall of common experience and time past.

Such feelings are not unreasonable nor at all contemptible. We must not be cultural snobs, and it would be an arrogant and insensitive artist who held that Art alone is the proper channel for any such intimation of mortality.

But we live in dangerous times, and must guard against *the easy but false conclusion*. Would that good exhibitions were naturally popular with a wide and generous public—but popularity and general accessibility have nothing to do with the quality of an exhibition.

How sad it would be, and quite as wrong, if such a show as the Arts Council's current "Landscape in Britain 1850-1950" should be taken as an example and pattern for the future, at the expense of more difficult and challenging exercises, rather than as the particular treat it is; somewhat lightweight, refreshingly unacademic, and thoroughly enjoyable.

It is indeed a wonderful mélange of stuff that defies any close and convincing ordering and analysis. There it all is, drawn from an extended and arbitrary period, and the simplest arrangement by chronology and place must serve, with only the barest socio-historical gloss to help. But to say as much is neither to censure the organisers nor condemn their result.

They could have been luckier, for many of their requests for loans, especially of major works, were refused, which *must have weakened the critical* structure: we might wish, perhaps, for more and better Sickerts or Whistlers, for example—but really it hardly matters much.

Not everything is very good, and much is charming and inoffensive rather than remarkable: but the good things are there in quantity enough to sustain interest and real pleasure alike, and disarm misgiving. There are familiar things, of course, well-known from popular reproduction and public collection: but, running through from pre-Raphaelite to Expressionist, how new and fresh so much of it is to general view and modest or grandiose, how very good, and how unexpected.

Surprise follows surprise — the too-long discredited work of an established name perhaps (*Chill October* by John Millais): forgotten favourites of the Victorian and Edwardian Academy (*Spindthrift* by John MacWhirter, *Dusk* by George Clausen): or the work of the still critically unfashionable (*The Poppy Field* by Alfred Munnings). And always there are the obscure rising to a deserved attention (*Stirling Station* by William Kennedy, *A Derbyshire Farm* by George Mason, *Reflections, Balloch*, by Leslie Hunter, *Autumn Kinnordy*, by James MacIntosh Patrick, which is almost the first thing we see).

The show begins in the last year of Turner's life, with David Cox and John Linnell, and ends, teasing its way into the 1950s, with neo-romanticism and Expressionism, with Frost, Vaughan, Weight, Mary Potter and Prunella Clough. Joan Eardley's magnificent *Breaking Wave* shows just how fine an Expressionist we lost by her early death some 20 years ago. And in between come the Nashes, the Spencers, Bomberg, Steer, Ginner, Gore: Scots such as Guthrie, Gillies, Walton: photographers from Roger Fenton to Bill Brandt — it is not for me but rather for you to pick out your own plums.

Uupstairs, two further shows should not be missed: the large abstract collages of Francis Davison, most handsomely set out, and Howard Hodgkin's choice group of Indian Drawings. Both warrant the separate consideration I hope to give them later.

War and peace

RADIO

B. A. YOUNG

Lack of space eliminated my mention last week of Capital's tribute to Eubie Blake last Saturday, and he died that very day, five days after his 100th birthday. It's good that Capital's Brian Rust should have compiled this programme in time.

The most portentous item of the past week should have been Sunday's debate on *The Nuclear Issue* between E. P. Thompson and Edward Luttwak of the Centre for Strategic Studies at Washington. Both sides treated it as the clergy treat issues of religion, a matter of faith. Their minds, as the Minister said to the CND, were made up. I heard no new points made in the discussion, apart from Mr Luttwak's insistence that the West should have, not nuclear equality with the Soviet, but nuclear superiority, since the Soviet, being a fundamentally military empire, has infinite superiority over the West in "conventional" weapons. The confrontation will have brought consolation to both sides, enlightenment to neither. The two 20-minute compilations of contemporary writing about the Peninsula War under the title *The Scum of the Earth* should dissuade anyone who feels drawn towards conventional war — two very vivid programmes, compiled for Radio 3 by David Bean, with three more to come.

And so to peace. I couldn't love anyone who didn't love *Emma*, though I wouldn't insist on their loving Emma herself, that spoilt and selfish young lady. On the other hand, they couldn't fail to love Angharad Rees, who is playing the part in John Tydeman's serial adaptation of Jane Austen's novel. We had the first instalment last Sunday. Emma has succeeded in steering her new protégée Harriet Smith away from the worthy young farmer Martin and guided her towards young Mr Elton, the vicar. Juliet Waley sounded a trifle sophisticated for a 16-year-old foundling, though I dare say Emma's tutelage had a hand in that. Michael Drew as Mr Elton seemed reasonably enthusiastic, while Alan Moore, as Mr Knightley looked on with benevolent disapproval. I'm going to enjoy this.

As a kind of appendix, Radio 3 had a charming programme on Tuesday, *A Sensibility to Music*, dealing with the references to music in Jane Austen's books, illustrated with music from her own albums, some of it copied out in her own hand.

Radio 4's *Monday* play was a winner too, Ostrovsky's *Easy Money*, a farcical comedy about life among the smart set in Moscow. The play dates from 1870, and was well translated and adapted by Peter Tegel. Vassilkov, an honest businessman, comes to Moscow and falls for Lydia, the spendthrift toast of the town. She consents to marry him because, as a joke, his friends have told her that he owns goldmines. She spends more than ever, but Vassilkov pays her bills only on condition that she will give up her wasteful life. At the climax, Lydia and her mother are facing the bailiffs, while Vassilkov has become rich. He will only take his wife back if she will take a job, as his housekeeper and hostess to his business associates. The ultimate reconciliation is hardly likely to last, but it winds the piece up prettily. There was delightful playing by Jill Lidstone as Lydia and Clive Merrison as Vassilkov, with Jeremy Child and Maurice Denham as men-about-town.

Michael Kittermaster's *The Thirty Year Rule*, Wednesday's Afternoon Theatre on Radio 4, seemed like a sketch for a more important play. Aubrey (John Carson), once an African provincial officer, now a junior Minister, has a young wife, Susan (Patience Tomlinson), childlike in her lack of understanding, both social and political. Mataka (Hugh Quarshie), an African student who has been badgering Aubrey for information about a revolt in his country 30 years before, calls when Aubrey is out and Susan offers him the flat over the garage if he will do the garden.

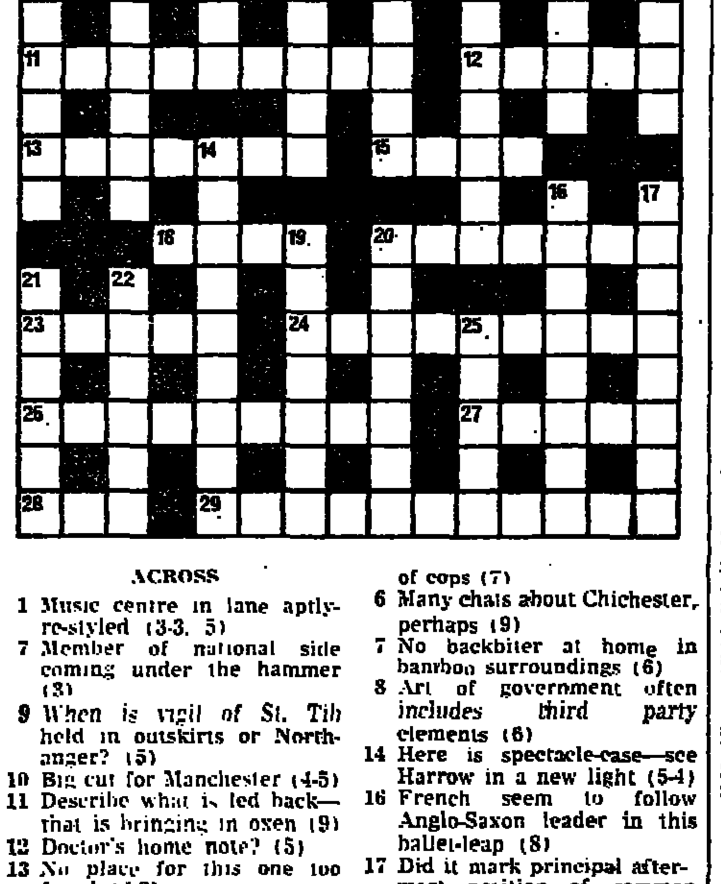
Naturally Aubrey resents this: but Mataka reveals that he knows of an adverse report about to be released, and blackmails him into allowing him to stay. Surely there must be more? The revelation that Mataka is the hereditary chief makes a dramatic point, but adds nothing to the story; nor does Susan's threat that if Mataka goes, she'll go too. The play seems to stop in the middle.

F.T. CROSSWORD PUZZLE No. 5,102

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



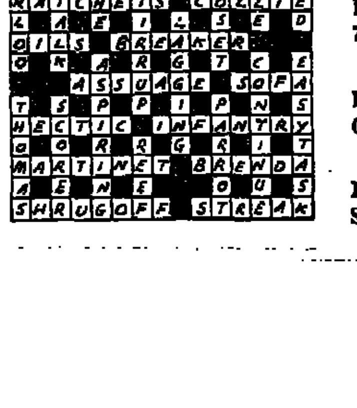
ACROSS

1 Music centre in lane aptly re-styled (3-3, 5)
7 Member of national side coming under the hammer (3)
9 *When is vigil of St. Tib* held in outskirts or Northanger? (5)
10 Big cut for Manchester (4-5)
11 Describe what is led back—that is bringing in oxen (9)
12 Doctor's home note? (5)
13 No place for this one too fused (4-3)
15 Divers in Sargasso mercantile trade (4)
18 Pine woodwork (4)
20 One cannot recall having it (7)
23 Present time for mouse to run down, descending steeply (5)
24 Alan Home's circulating library? (9)
26 Remote possibility of catch at point, for example (3-6)
27 Send back first-class piece of bone (5)
28 Pitch over desert (3)
29 Pal tense after something said (4-7)

DOWN

1 One fated, cruelly, not to enjoy music (4-4)
2 Roll of top sailors? (4-4)
3 Scottish isle almost notorious (5)
4 Bats in a mix-up: choose not to take sides (7)
5 *Nothing* in U.S. liquid measures arouses suspicions of cops (7)
6 Many chats about Chichester, perhaps (9)
7 No backbiter at home in bamboo surroundings (6)
8 Art of government often includes third party elements (6)
14 Here is spectacle-case—see Harrow in a new light (5-4)
16 French seem to follow Anglo-Saxon leader in this ballet-leap (8)
17 Did it mark principal aftermost position of common sailors? (8)
19 Coach requiring some extra in ergograph reading (7)
20 Is it left by a firing-range? (3-4)
21 New growth in translation of Proust (6)
22 Star of cough—tender, old chest? (6)
25 eg Tarka, feeling the 'eat more (5)

Solution to Puzzle No. 5,101



BBC 1

† Indicates programme in black and white

6.25-8.55 am Open University.
9.00 Hold Down a Chord. 9.15 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.45 News Summary; Football Focus (12.20): Racing from Chepstow (12.50, 1.20, 1.50); Rallying (1.10) The Swedish Rally: Rugby Union (2.10, 4.00) Scotland v Wales from Murrayfield: and at 4.00 from Lansdowne Road Ireland v France: 3.50 Half-time soccer scores, news and reports; 4.35 Final Score.
5.10 News.
5.20 Regional Variations.
5.25 The Dukes of Hazzard.
6.15 Jim'll Fix It.
6.50 The Saturday Film: "Sam Whiskey" starring Burt Reynolds and Angie Dickinson.
8.25 The Les Dawson Show.
9.00 News and Sport.
9.15 Dynasty.
10.05 Wogan.
10.50 Saturday Late Film: "Monty Python's and Now For Something Completely Different."

REGIONAL VARIATIONS:

Wales—5.20-5.25 pm Sports News Wales.

Scotland—5.20-5.25 pm Scoreboard. 12.15 am Scottish News Summary.

Northern Ireland — 12.15-5.10 pm Grandstand—As BBC1 12.15-2.10 pm then as follows: 2.10 Amateur Boxing. 2.55 Rugby Union Ireland v France. 4.25 Rugby, Scotland v Wales (highlights). 4.35 Final Score. 5.00 Northern Ireland Results. 12.15 am Northern Ireland News Headlines.

England—5.20-5.25 pm London and the South-East: Sport; South-West (Plymouth): Spotlight Sport; All other English regions: Sport/Regional News.

BBC 2

6.25 am-3.10 pm Open University.
3.20 Saturday Cinema Double Bill: Duel in the Jungle" starring Jeanne Crain and Dana Andrews, and at 5.00 "The Black Knight" starring Alan Ladd.
6.25 Buongiorno Italia!
6.50 Sight and Sound in Concert (simultaneously broadcast on Radio 1).
7.30 News and Sport.
7.50 Saturday Briefing with Joan Ruddock of CND.
8.25 Willoughby.
8.55 The Edward Boyle Memorial Concert.
10.40 News On 2.
10.50-12.35 am Film International: "Une Semaine de Vacances" (French film with English subtitles).

LONDON

6.00-9.15 am TV-am Breakfast programme. 9.30 Sesame Street.
10.30 The Saturday Show.
12.15 pm World of Sport; 12.20 Indoor Athletics from California: 12.45 On the Ball; 1.15 News; 1.20 The ITV Six from Newcastle and Nottingham (introduced by Brough Scott and Jim McGrath): 2.55 *Tennis from Toronto*; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling: 4.45 Results.
5.00 News.
5.15 Luna.
5.45 Chips.
6.40 Punchlines.
7.10 3-2-1.
8.10 Murder, Mystery, Suspense
10.00 News and Sport.
10.15 The Big Match.
11.15 Saturday Stayback.
12.00 London News Headlines followed by Billy Squier—Live in the Dark.
1.00 am Close: Sit Up and Listen with Sian Phillips.

CHANNEL 4

1.20 pm Tom Keating on Painters.
†1.50 The Gathering Storm: "Mission to Moscow" (wartime propaganda film)
†4.00 Dylan Thomas.
4.35 Password
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics looks at Norman St John Stevas's Parliamentary Bill also the new constituency boundaries.
8.30 Hollywood.
9.30 Patti.
10.00 Upstairs, Downstairs.
11.00 Malu Muhler.
11.55 Death in the City: "The Killers" starring Burt Lancaster.

S4C (WALES)
1.35 pm Shakespeare Lives. 2.00 Common Interests: Grenada—Freedom Is We Making 2.25 Rugby. 4.05 The Tube. 5.00 Yr Awr Fawr 6.00 Upstairs, Downstairs 7.00 Twvllo'r Teulu. 7.30 Newyddion 7.45 Minafon. 8.25 Ar Log. Ar Log 9.15 Y Maes Chwarae. 10.05 Jailed by the British—Alien Internment: 10.55 "Enchantment." starring David Niven and Teresa Wright.
† All IBA regions as London except at the following times:—

ANGLIA
9.35 Mork and Mindy. 10.05 Star Fleet. 10.15 pm Match of the Week. 12.00 Portrait of a Legend (Kris Kristofferson). 12.30 am At the End of the Day.

BORDER
9.40 am Kum Kum. 10.05 Star Fleet. 10.15 pm Match Time.

CENTRAL
9.40 am The Fantastic Four. 10.05 Star Fleet 10.15 pm Star Soccer, hosted by Gary Newbon. 12.00 Profiles in Rock: Journey.

CHANNEL
5.15 pm Puffin's Pla(i)ce. 5.20 Happy Days. 5.45 Falcon Crest. 12.00 The Amazing Years of Cinema.

GRAMPIAN
9.35 am Johnny's Animal Opera. 10.05 Star Fleet. 10.15 Scotsport Special including highlights from the Lang's Supreme Scottish Curling Championships 11.45 Saturday Stayback. 12.30 am Reflections.

GRANADA
9.30 am Cartoon. 9.40 Secret Valley. 10.05 Star Fleet. 10.15 pm Match Time: The north-west's own football programme. 12.00 The Late Film. "I Love My Wife," starring Elliott Gould.

HTV
9.35 am Ask Oscar! 10.05 Star Fleet. 12.13 pm HTV News. 5.15 HTV News. 12.00 Barney Miller.

SCOTTISH
9.35 am Wattoo Wattoo. 9.40 The Smurfs. 10.05 Star Fleet. 10.15 pm Scotsport 11.45 Saturday Stayback. 12.30 pm Late Call

TSW
9.25 am Look and See 9.30 The Saturday Show. 10.28 Gus Honeybun's Magic. Birthdays 10.30 Star Fleet. 10.50 The Fugitive 11.40 Survival. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days. 5.45 Falcon Crest. 12.00 The Amazing Years of Cinema 12.30 am Postscript. 12.35 South West Weather.

TVS
9.35 am Secret Valley 10.05 Star Fleet 12.12 pm TVS Weather 5.45 Saturday News and Sport 5.50 Chips. 10.15 The Saturday Match, introduced by Fred Dinenage with comments and stories from George Best and commentary by Gerald Sinstadt. 12.00 Making a Living. 12.30 am Company.

TYNE TEES
9.30 am The Fantastic Four. 10.00 Star Fleet 12.13 pm North East News. 5.45 North East News. 10.15 Shoot. 12.00 "There's a Girl in my Soup." 1.40 am Poet's Corner.

ULSTER
10.05 am Star Fleet. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News 10.14 Ulster Weather. 12.00 News at Bedtime.

YORKSHIRE
9.30 am Gardening Time 9.56 Wattoo Wattoo. 10.05 Star Fleet. 10.15 pm Match Time. 12.00 Making a Living.

RADIO 1
(S) Stereo (when broadcast on VHF)
8.00 am Tony Blackburn's Saturday Show 10.00 Mike Smith 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.50 Sight and Sound in Concert (S) 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
8.05 David Jacobs (S) 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Drop Me Here, Darling. 1.30 Sport on 2: Racing from Chepstow at 1.30 and 2.00. Cricket: Report from Auckland on the one-day International between England and New Zealand: Football. Preview of FA Cup Fifth round scores at 3.45; 5.55 Rugby Union: 2.30 Scotland v Wales from Murrayfield and 3.02 Ireland v France from Dublin: 5.00 Football Results: 5.50 Racing Results: 5.54 Final Pools Check 6.00 Country Greats in Concert 7.00 Beat the Band 7.30 Big Band Special (S) 8.00 Les Reed's World of Music (S). 9.00 A Sky Concert (S) 10.00 Hilversum Greats Radio 2 (S). 11.02 Sports Desk 11.10 Pete Murray's Late Show (S) 2.00-5.00 am You and the Night and the Music (S).

RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S) 12.15 pm Two American Song-Cycles (S). 1.00 News. 1.05 Lost and Found (S). 1.45 Mozart (S). 2.00 Decade: The 1920s (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum 6.35 The Organ Music of Jehan Alain (S). 7.15 Berlioz: Romeo and Juliet" (S) 9.00 Mozart and Chopin piano recital (S). 9.40 Interpretations on Record (S) 10.45 Bournemouth Wind Quire (S). 11.15-11.18 News.

RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm 7.45 In Perspective. 7.50 It's a Bargain 7.55 Weather, travel, programme news 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 *Yesterday in Parliament.* 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S) 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Alistair Cooke: The Instruments of Jazz (8). The Piano (II) (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife 3.30 The Golden Obsession. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 Asian Links 5.25 Week Ending (S). 5.50 Shipping Forecast 5.55 Weather, travel, programme news 6.00 News 6.25 *Desert Island Discs* (S). 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker (S). 8.30 Saturday-Night Theatre (S) 9.45 Take the Gray Train. 9.58 Weather. 10.00 News 10.15 Everything at the Garden (S) 11.00 Lighten Our Darkness (S). 11.15 Stop the Week with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON
8.04 am London Today. 8.33 The Magic Carpet Company. 9.03 Openings. 9.30 Corridors of Power. 10.03 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Evening Star. 6.30 Radio Replies. 7.00 The Name of the Game. 7.30-5.00 am Join Radio 2.

LONDON BROADCASTING
7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Clive Bull 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen 6.00 LBC Reports with Des Fahy 7.00 Geet Mala. 8.00 Network. 9.00 Hayes on Saturday 10.00 Nightline 1.00 am Night Extra. 4.00 Travel '83 4.30 Decision Makers. 5.00 Morning Music.

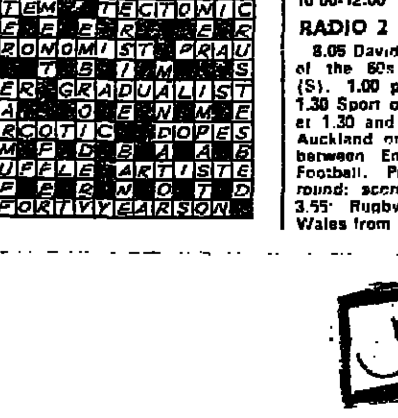
CAPITAL RADIO
7.00 am The Dave Cash Show. 10.00 Pick of the Pops Take Two with Roger Scott 12.00 *Mike Allen's Music Centre* 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Al Matthews' Soul Spectrum. 8.00 Juke Box Saturday Night with Roger Scott. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

SOLUTION AND WINNERS PUZZLE No. 5096

Mrs R. Abrahamson, 277 Beverley Road, Kirkella, Hull 7AQ.

Mr L. Fraser, 35 Dalvenie Road, Banchory, Grampian AB3 3UX.

Mr C. H. Card, 18 Nelson Road, Goring by Sea, Worthing, Sussex.



CHESS SOLUTIONS

Solution to Position No. 462

1 Q-N4! (to meet N-Q2 by 2 P-Q6 R-K4 3 PxP and 4 QxN!) K-R1 (the threat was Q-R4 followed by N-B6 ch and PxP): 2 Q-R4, R-Q2: 3 N-B6, Resigns.

Solution to Problem No. 462

1 N-K2 (threat, 2 N-KB4). KxR; 2 N-B6, or if B-B2; 2 N-B3, or if P-K4; 2 N-K3, or if NxP; 2 R-Q4, or if PxR; 2 B-N2. Traps are 1 B-Q4? NxP; or if 1 N-K4? PxR; or if 1 R-B4? P-K4; or if 1 N-R5? B-B2.

THEATRES

ADELPHI. S CC 836 7611. MARILYN: The Musical. Prevs from Mar. 3. Opens Mar. 17 Group sales 379 6061. Evgs 8.0. Mats Wed & Sat 3 pm. Credit card Hotline 930 9232.

ALBERY. S 836 3878. CC 379 6565/930 9232. Grp bkgs. 836 3962/379 6061. Evgs 7.30. Thur & Sat mat 3.0. Sign Translation mat Today at 3pm. OLIVER

KINGS HEAD. 226 1916. Dnr 6.45. Show 7.45 MR CINDERS. A musical comedy with music by Vivian Ellis.

LE VIE EN ROSE. Gt Windmill St. W1. CC. THEATRE RESTAURANT. CABARET BAR. DANCING. Nightly at 10 pm. THE SPECTACULAR GLAMOROUS REVUE BIZARRE. BIG, BRASH MUSICAL EXTRAVAGANZA. HUGE CAST OF INTERNATIONAL ARTISTES. Dinner, Dancing, Entertainment 7.30-2 am. Non-diners welcome. Reservations 437 6312/8380/734 9198 and all leading agents (no booking charge).

هكذا من الأصل

COLLECTING

Horses to watch

MUSEUMS

ALAN FORREST

ON THE short walk from the railway station at Newmarket to the Jockey Club in the high street, as the wind from the Rowley Mile whips round your withers, you meet more horses than people. "Yes," says Major David Swannell, the Jockey Club's chief handicapper, "Newmarket has a population of 12,000 and 1,200 of them are horses."

For Swannell, wintering at "headquarters," with nearly two months to go to the start of the Flat season, is no sinecure. Apart from directing research into the antecedents of 6,000 eager racehorses, he is helping to set up Britain's first National Horse-racing Museum.

The opening date is Saturday, April 30, the Queen doing the honours a few hours before the running of the 2,000 Guineas.

As you walk around planks, rubble, unlaid bricks, untried staircases and all the mysterious impedimenta of the building trade, you can't really believe that it is all going to be ready for Her Majesty to cut the tapes. But it will "even if it means 24-hour shifts for the last couple of weeks."

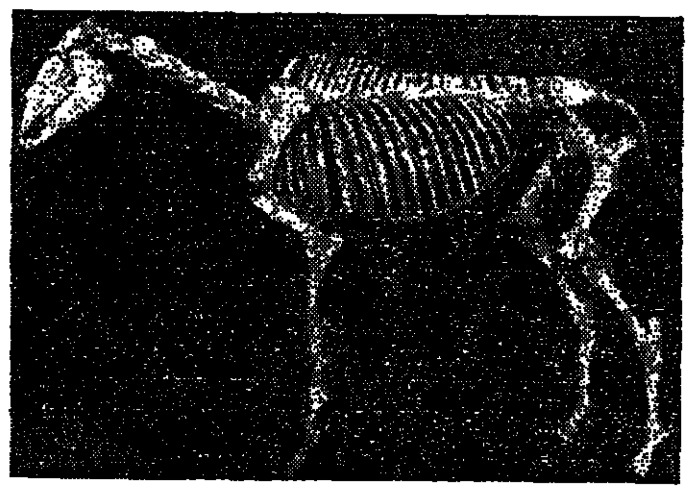
The museum is sited on a building adjoining the Jockey Club, once called The Subscription Rooms, a rather flash club for trainers and owners. It is being torn apart and refurbished and from April 30 the £1 punter and anybody else at that level will be admitted to the sacred halls of the racing establishment to view exhibits ranging from the skeleton of that wonder horse, Eclipse, to a special corner dedicated to Lester Piggott.

The plan for the museum took off after the success of the London Exhibition to celebrate the 200th running of the Derby a couple of years ago. The plan has caught on—building the museum out of the shell of The Subscription Room will cost in the region of £250,000 and final outlay to set it all up will be around £750,000.

The new facility is just another development in the fastest growing areas of the museum business—the "special interest" museum.

The gallery and its display areas will give visitors a complete history of British horse-racing—the place of the Jockey Club, Weatherbys and Tattersalls, a guide to bloodstock, and special corners devoted to great racehorses, a look at "Royal Racing" and an audio-visual room where visitors can watch tapes of great races. The displays will be designed by Patricia Connor and Ivor Heal, who worked on the Derby exhibition.

The Jockey Club has hired its curator from as far outside racing as possible. Richard Kilburn, a young Yorkshireman from Dewsbury went to Durham University, and before uprooting himself to Newmarket, ran and built The Venerable Bede Museum at Jarrow into one of the north's No. 1 tourist attractions.



Skeleton of Eclipse, wonder horse of the eighteenth century

"It seemed a long way from monks to horses," he says, "but I think it's going to work well." Kilburn will work from a flat above the shop, so to speak, and has ambitions for widening the whole concept. "Of course, it's right the museum should be at Newmarket," he says, "but why shouldn't we take travelling exhibitions around the country."

Exhibits accepted up to now are strong, as far as racing art is concerned. They include the priceless Stubbs painting of Eclipse, to be displayed near the skelton ("providing a complete picture of a great racehorse," says Major Swannell), loans from racing art collectors ranging from the Queen and the Queen Mother, the Duke of Richmond, Lady Juliet de Chair, to ordinary racegoers with a memorabilia stretching from dramatic racecards to signed photographs of great jockeys. The Munnings Museum in Essex has lent a good selection of the master's horse paintings.

The Lester Piggott corner will house some of the gift bronzes from grateful owners, the whips he used to win his Derbys. "Lester was one of our great co-operators in setting the whole thing up," Major Swannell says. Steve Donoghue's lucky neckerchief—he won his Derbys wearing it—will be on show.

The organisers are still looking for more sponsorship for the museum—from companies who already sponsor racing, those who don't but want to be involved in an exciting new venture, and most of all, the ordinary racegoer who owns that racing treasure that it might be a good idea for all the world to see.

A pleasure dome remembered

BY JUNE FIELD

THE Regent's Park Colosseum, extraordinary pleasure dome built between 1824 and 1831 to house a 360 degree painted panorama of London covering some 46,000 sq ft, attracted a variety of comments until it was demolished in 1875.

In its heyday Longfellow urged:

If thou wouldst read a lesson, that would keep
Thy heart from fainting and thy should from sleep,—
Go to the Colosseum.

By 1842, other dazzling attractions had been added—cascades, grottoes, glass conservatory enclosing tropical plants and exotic birds, plus a Glaciarium (skating rink produced by a chemical consisting mainly of soda), and a Swiss Cottage. But the Colosseum was then declining as a quality place to go, with a Punch poem observing rather unkindly:

"Here is the land of artificial ice
And here the pseudo-Swiss doth also dwell."

going on to comment on the caretaker masquerading in Swiss costume, who although "made to look the character full well, was, until he spoke, a Cockney of the broadest kind."

The full background of the remarkable, now almost forgotten undertaking, which was the brainchild of little-known land surveyor Thomas Hornor is told in an equally remarkable and fascinating publication *The Regent's Park Colosseum* by Ralph Hyde, Keeper of Prints and Maps at the Guildhall Library, City of London.

It represents the return of Ackermann, long established print publisher and dealer, to the production and publication of fine illustrated books. A new imprint has been formed by the historian and television personality, Bamber Gascoigne, merging his St Helena Press to form Arthur Ackermann Publishing.

The book has been designed as a celebration of Ackermann's 200th anniversary, and is in an edition of 200 numbered copies being sold by subscription with the time-honoured technique of inserting a list of subscribers' names. Mr Gascoigne refers enthusiastically to the publication as "exceptionally beautiful — with spacious typography and hand-coloured plates as from the great Ackermann period of the early 19th century."

A copy of the impressively produced leather-bound book, the pages edged with gold-leaf, the end-papers hand-marbled, which comes in a handsome green suede-lined box, 14½ inches by 11½, will cost you £225. (For an illustrated leaflet, contact Peter George, managing director, Arthur Ackermann Publishing, 1 St. Helena Terrace, Richmond, Surrey.)

Rudolph Ackerman started his print shop, the Repository of Arts, in 1797 at 101 The Strand, publishing five aquatints of the Colosseum in 1829. These have been skilfully reproduced for the book on hand-made, hand-coloured paper by screenless collotype, a 19th century printing method now about extinct in Britain.

One of the most striking plates shows the geometrical ascent to the galleries; the curious "ascending room" or hydraulic lift was the first to be operated in London, carrying spectators who could not face walking up the winding staircase to the viewing area. Although not in regular use until October 1829, a guide book of earlier that year explained how it was going to work: "A large bucket or tank of water will be connected with a movable platform that any number of persons may be placed in equilibrium with its fluid contents, and directly a sufficient quantity of water is introduced to produce a preponderance in the tank the persons stationed on the platform will ascend. The door of the chamber will then open."

Basically the very human story of the spectacular and costly project began with Thomas Hornor spending the summer of 1821 making preliminary sketches of the city while perched precariously in a little hut lashed to the top of St Paul's Cathedral. Decimus Burton (1800-81) was the architect responsible for the building of what was in effect a Greek version of the Pantheon: the painting of the panorama in the rotunda was by artist Edmund Thomas Parris plus a team who had to work high up on a gantry, platform and cradle. Not only were they not too keen on working on an ever-moving canvas while suspended in a swinging cradle 60 ft or so from ground level, but they were over-inclined to do their own thing. As Ralph Hyde records:—

"One artist, it seems, made the smoke from his chimneys rise in the opposite direction from his neighbours', and another highlighted the building he was painting with a sunbeam that struck it from the north. Inevitably, as the work progressed, the panorama came more and more to resemble a patchwork quilt."

Some of the artists were replaced by house painters, who at least were not afraid of heights! Neither was a one-time sailor George Chambers, who later became a marine artist of some distinction.

Although for several months after it opened the Colosseum was London's most fashionable entertainment, made more spicey by the fact that the chief backer, banker Rowland Stephenson had absconded to America, the completed panorama came in for some criticism.

So, in spite of its attractions, the Colosseum did not pay and in 1831 it was sold for £30,000 to the celebrated singer John Braham who added various refinements including the ice-rink. He in turn sold it to a wealthy cement merchant David Montague, who is believed to have bought it at auction for 23,000 guineas. Further transformations and owners followed, but after a chequered history it was knocked down in March 1875, to be replaced on the Regent's Park site by an ornate Victorian block, Cambridge Gate, and at the back the last reminder of Regency London's most noble pleasure dome—Colosseum Terrace.

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SPORT

William Dawkins on a row dogging the 1983 Boat Race

A question of student Blues

SEVERAL telling questions about the changing character of the Boat Race were thrown up tis week when Oxford and Cambridge named their crews.

Oxford has announced a crew with a heavier international flavour than ever, containing only two undergraduate oarsmen. Cambridge, by contrast, has produced an eight almost entirely made up of undergraduates, with one foreign oarsman, Steve Berger from Dartmouth College, U.S., rowing in the engine room at five.

Top internationals have been flocking to Oxford in recent years, while Cambridge has relied to a much larger extent on less experienced men, although it too has had its international quota.

It is a reflection of this imbalance that appears to have disquieted Cambridge this year about Oxford's inclusion for the sixth time of Boris Rankov, a junior don at St Hugh's.

When Simon Harris, the Cambridge president, issued his formal challenge last week to his Oxford counterpart, Richard Yonge, he pointedly called for "nine bona fide students in statu pupillari" to meet the light blues at Putney on April 2.

Harris pursued the matter no further, but it may well arise again next year when Cambridge takes its turn at chairmanship of the joint Blues' committee, the authority on Boat Race rules.

Under the present Boat Race charter, there is in fact no question about Rankov's eligibility to participate. But it is ironic that the one clause which would have disbarred him was removed at Cambridge's request in 1975. That was when the light blues asked for the abolition of a rule preventing those who had matriculated more than seven years previously from taking part. The move was to allow Cambridge to include their own man—David Sturge—in the 1975 race; the last time they won.

Rankov apart, Oxford claims to have one of its most experienced crews ever. But the low undergraduate content is far from unique, explains Dan Topolski, Oxford's chief coach. There was only one undergraduate in the Oxford crew he rowed in 15 years ago.

In the present crew, the engine room contains Mike Evans of Princeton, U.S. at four; Rankov at five; and Graham Jones at six, who was stroke of last year's Australian eight. At bow, Evans' twin, Mark, from Queen's University, Ontario, came sixth for Canada in the coxless pairs in the 1981 world championships.

Oxford's stroke is John Bland, who won a silver medal in the 1981 World Championships and rowed for Oxford in 1980 and 1981. The other undergraduate is Hugh Clay at two, who rowevd in last year's race.

Boris Rankov: not "in statu pupillari"

Awesome though this line up is, Topolski expects his foreign crewmen to have to concentrate particularly hard on adapting to the 4¼-mile course, because they were trained to racing over 2,000 metres. They are also unused to Oxford's rowing style.

Richard Yonge attributes the imbalance between the two universities to the fact that athletic academics have been attracted by Oxford's seven successive boat race wins. But there has also been a radical improvement in Boat Race rowing on both sides.

Yonge says this is partly a reaction to "a bad patch" in Boat Race rowing ten years ago. "The Boat Race became for a while a total anachronism. Then the realisation set in that because we were in such a privileged position, it was only right that we make the standard as good as possible."

While Cambridge may not have so many big names on board, they also have a very strong crew, containing five of last year's eight.

Although such comparisons can be misleading, both crews have beaten University of London's first eight recently—Oxford by a slightly larger margin than Cambridge.

The light blues are younger, but around a stone a man heavier than Oxford. If the extra weight represents strength, Oxford should feel threatened.

They have the additional advantage over Oxford of having kept together roughly the same crew for the past year, competing in the under-23 division of the 1982 world championships.

Topolski is not a nervous man. But he admits: "They look strong and solid and big."

Trevor Bailey reports on the £300 Cup Final seat

Room at the top at Wembley

DURING THE past 12 months at least £50m has been ploughed into British sport, underlining that most sports in their present form would be unable to exist without commercial sponsorship. The bulk of this money has come from large, shrewd and successful companies.

Some are British, some multi-national (Shell) and some foreign (Yamaha), but all will have made a careful study of their investment. This is certainly not purely altruistic and the majority are well satisfied with their findings.

It is interesting to note that sports sponsorship, even in an era of economic depression, is increasing because it is cheaper than normal advertising, especially on television, while it also provides excellent facilities for entertaining customers, or staff.

The Cornhill Insurance Company naturally invites a number of its clients to the Test Matches which it sponsors, while the majority of the boxes at cricket and football grounds are rented by individual companies to promote their business.

The benefit to both games is obvious, especially at a time when for various reasons attendances are falling, as in addition to the sponsorship, or the rent, there is the extra entrance money, because the majority of guests and hosts would not be present otherwise.

A major sporting event is often a suitable place for business entertainment. An ever growing need for this service has resulted in the creation of a number of companies which specialise in providing sporting packages for clients at all the major sporting occasions, such as the Cup Final, Wimbledon, Twickenham, Ascot, the German Grand Prix and the British Open. Their objective is not only to provide a fairly lavish day out, but also to promote the name of the host, who will pay their bill.

Probably the best known of the companies in this field is, not surprisingly, Keith Prowse, whose "you want the best seats—we have them" was one of the great selling slogans of all times. Others (and there must be at least ten in London alone) include Sports International, P.M.L. Consultants, Prestige Promotions and Topline Events.

Why do so many companies go to these companies rather than doing the jobs themselves, or employing their own internal, or external, public relations agency? The answer lies in the time it takes, expertise required, and, in particular, the knowledge of where to obtain tickets for those events where the demand far exceeds the supply.

It is a fact of life that it is possible to obtain a ticket for a West End sell out, a big first night, a Sinatra concert, the Cup Final, or, indeed, any occasion providing one is prepared to pay over the odds. There is an open market in tickets for every oversubscribed event.

I ventured into this market world a decade ago when a friend asked if I could help him to get a seat for the League Cup Final. I told him I might be able to find him one, but laughed when he informed me that he desperately needed 12.

But it turned out that the cost was largely immaterial and as he lived in the north I obtained the tickets on his behalf and discovered it to be an easier operation than I had imagined.

Obviously, none of the companies who package sporting promotions is willing, or indeed, could afford, to disclose their sources of ticket supply—often, like a Test Match, it is simply a matter of purchasing the tickets in advance from the ground and laying on the additional entertainment.

Their prices for events vary considerably, according to the additional facilities and the attraction of event, rather than the official cost of the seat.

The best seat at Lord's for a Test is £9.50 and for the Nat West Final £14. The best seat at Wimbledon £16, Twickenham £12, Wembley for the FA Cup £20 and for the Milk Cup £16.

Here are examples of what are realistic charges for four different events, the first two from PML and second two from Keith Prowse.

England v Greece at Wembley, including dinner, wine, programme, best seat—£65 per head.

Nat West Final at Lord's including lunch and tea, wine and liqueurs—£65.

Milk Cup Final seat, car parking, champagne reception and four course lunch, afternoon tea, open bar—between £49 and £119 per person, plus VAT.

British Grand Prix at Silverstone, a reserved Woodcote Grandstand seat, reserved car parking, champagne reception, four course lunch, wines, liqueurs, programme, afternoon tea and open bar—from £139 per person.

Rather less reasonable would appear to be the following Topline Events promotions.

Milk Cup Final. Meet for drinks reception in Crest Hotel, four course luncheon, wines and liqueurs in the suite, top class seat, tea and an hour's open bar in hotel afterwards—£125 per person plus VAT.

FA Cup Final. Meet in suite of Crest Hotel for champagne reception and open bar, four course luncheon with wines and liqueurs, admission to the match, full afternon tea and an hour's open bar — cost per person £249 plus VAT bringing the cost to nearly £300.

Even more surprising is the price for a seat plus executive dining coach from central London with coffee and biscuits to Wimbledon; champagne reception in private banqueting room, buffet lunch plus wine and liqueurs, seat for the day plus programme; facilities in private banqueting room include giant panasonic TV screen showing live action on Centre Court, unlimited open bar until 6.30 pm; afternoon Wimbledon tea including sandwiches and strawberries and cream; executive coach transfer back to Central London—£359 plus VAT for which one would expect a very reasonable European holiday.

However, there are two points to remember. First in the open market last year a top class Cup Final ticket fetched £150-£175 and a seat on the Centre Court for the Men's Final £200 to £250.

SKIING

ARTHUR SANDLES

MOST SKIERS would agree that the Canelone in Madesimo is Italy's most daunting run. There are some who claim it to be the most daunting in the world. But that's just wild talk, the sort of claim you get when the fires burn low and the bottles empty. Then the chat in the ski lodges tends to turn to the subject of difficult runs, and particularly that of the most difficult.

Difficulty is a subjective word. For some, sheer steepness is a major problem; for others gullies present problems; and there are those who rarely enjoy the icy bumps of a mogul field.

The Canelone offers all these obstacles, but its image is darkened by one simple, but crucial, additional factor. After the first 50 yards are completed there is no other way down the mountain. The last exit to gentler slopes has been passed, and you are committed to a leg numbing, nerve tingling descent.

Global Tours offers ski holidays to Madesimo, which have good nursery slopes and challenging runs for better skiers, but not much in the way of intermediate cruising terrain. Livignio is a nearby alternative for superb ego building skiing —but it does not have the Canelone.

● Further information: Global, 200 Tottenham Court Road, London W1P 0JP.

SNOW REPORTS

EUROPE

Arosa (Sw)	90-170 cm	Excellent skiing on good base
Avoriaz (Sw)	80-185 cm	Odd rock and icy spot
Crans (Sw)	40-110 cm	Lower slopes icy
Cervinia (It)	80-200 cm	Good snow on good base
Davos (Sw)	*100-200 cm*	*Good skiing on upper runs*
Grindelwald (Sw)	50-150 cm	Great skiing but some ice
Isola (Fr)	170-230 cm	Powder snow on all slopes
Klosters (Sw)	80-200 cm	Ice on lower slopes
Muerren (Sw)	100-200 cm	Lower south-facing slopes icy
St Moritz (Sw)	70-140 cm	Icy patches on lower slopes
Seefeld (Aus)	40- 50 cm	More snow needed everywhere
Soell (Aus)	50-110 cm	Some icy patches
Verbier (Sw)	40-170 cm	Hard packed snow on piste
Villars (Sw)	80-190 cm	Sun only on upper slopes
Wengen (Sw)	60-150 cm	Good piste skiing

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col)	*16- 39 ins*	*Powder and packed powder*
Hunter (NY)	20- 76 ins	Powder and granular
Park City (Ut)	12- 96 ins	All lifts and gondola running
Squaw Valley (Cal)	84-174 ins	Powder and packed powder
Stowe (Vt)	24- 60 ins	Packed pwdr. Machine groomed
Sugarbush (Vt)	*10- 26 ins*	*Packed powder*

Figures indicate snow depths at top and bottom stations.

Challenge of Gaye Brief

RACING

BY DOMINIC WIGAN

BOTH NORTHERN and Midland race-goers will be well catered for today provided that the weather holds, for Newcastle stages the Eider Chase while Nottingham's programme includes the City Trial Hurdle in which Gaye Brief attempts to defy top weight.

PTS Racing must be more than satisfied with the response to their Eider Chase which has attracted 17 runners. But purists with the Cheltenham Festival in mind will be more concerned in the outcome of the City Trial Hurdle and Nottinghamshire Novices Chase.

If, as I anticipate, Gaye Brief can hand out weight and a decisive beating to Carved Opal, Brave Hussar and Rushmoor on the Midlands track he will put himself firmly in the forefront of the Champion Hurdle Picture.

The Rimell six-year-old whose last effort resulted in a runaway Hereford victory over Dishcloth is likely to find only Brave Hussar and Rushmoor presenting any problems near home.

Brave Hussar just managed to hold off Pulse Rate to whom he was conceding 7 lb in Kempton's Lanzarote Handicap last month; but I anticipate Rushmoor completing the forecast bets. The Gordon Richards five-year-old will be all the better for a confidence-boosting run at Doncaster and in receipt of 10 lb from Gaye Brief may show us just how good Sheikh Khamsin's six-year-old now is compared with For Auction and company.

The Nottinghamshire Novices Chase has attracted arguably the country's leading two-mile novice chaser in Bill Whitbread's Kilbrittain Castle, but he has no walkover. He is opposed by Branding Iron, unbeaten in two runs this season, and by Bold Yeoman. But Kilbrittain Castle should win.

NEWCASTLE

1.45—Rigorous*
2.15—Right Hand Man
2.45—Corbiere**
4.20—I Am Humbert

NOTTINGHAM

1.30—Sea Captain
2.00—Gaye Brief***
2.30—Kilbrittain Castle
3.00—Trust to Luck

Turning back to Newcastle, Spring Rocket has every chance of landing the PTS Eider Chase judged on his recent Hereford victory over De Pluvinel. But that event was over three miles and one furlong and he has an additional mile, to go this time.

Corbiere looks a safer bet. Jenny Pitman's eight year-old has enjoyed a useful rest since scrambling home from Pilot Officer in the almost equally daunting Coral Welsh National in which both stayers showed the utmost gameness.

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Saturday February 19 1983

Somebody has to pay up

IF THIS is a recovery, as the optimists proclaim, there is still a lot of pain around. British Rail announces a closure at Shildon, in the North East, which will raise local unemployment to 60 per cent; the railways may get cheaper equipment, but the taxpayer will be footing the bill for a long time. In Tennessee, another smallish bank goes bust, while in Brazil the financing for a purchase of jet airliners may have fallen apart. Meanwhile in Washington the chairman of the Federal Reserve Board, Mr Paul Volcker, confesses to the Senate that his efforts to assist recovery by getting interest rates down have been defeated, for the time being, in the financial markets.

This last news is by far the most significant, because it carries a message about the future, rather than the recent past. All hopes for a recovery in the near term rest, in some sense, on the hope of substantially lower real interest rates—which is why Mrs Thatcher was so enraged, on her return from the Falklands, to find that the London market had been allowed to raise rates again. Only with normal real interest rates can the debtor countries see a realistic way forward: only then can companies be expected to spend their profits on expansion rather than paying off debt, and to rebuild the stocks they have run down so drastically.

Financial markets block recovery

Why, then, do the interest rates demanded in financial markets continue to block any sustained recovery, rather than falling, as is the normal pattern in a recession? The answer, in a sense, is that the recession is not nearly deep enough. In a real catastrophe, such as the world suffered 50 years ago, demand collapses and bankruptcies are wholesale; in the financial rubble left behind, investors were grateful to get any return on their money. Mr Chamberlain, for example, was able to refinance the British national debt at 2½ per cent.

This time, we are resisting catastrophe. Social security provisions ensure that the railway engineers of Shildon will continue to get some sort of living income, which they will spend. Through miracles of rescheduling and arm twisting, potential bad debts are transformed into long-term claims—questionable, perhaps, but not actually renounced. We creep gingerly along the edge of the abyss, from handhold to handhold.

There is a price to be paid for these efforts. Governments with humane social programmes find that recession imposes an ever-widening deficit—except in Britain, where this inexorable logic is masked, for the time being, by the revenue flow from the North Sea. Banks, fearing future bad debts, are constrained to push up their profit margins, impeding any fall in short term rates. Meanwhile bond investors see an ever-lengthening queue of bidders for their savings—growing government deficits, companies trying to turn debt into equity, and now, it is believed, the International Monetary Fund seeking to finance its own rescue efforts.

Struggle to ward off destitution

It is this fear of crowding out, or alternatively of an inflationary attempt to monetise debt—through cash injection by the Fed, or the free issue of SDRs demanded by the developing countries—which is the real road block, as Mr Volcker points out. The authorities struggle to ward off the threats of bankruptcy and destitution; investors wonder how debts are to be honoured and living standards maintained in a depressed world economy. Something doesn't add up.

That is why, despite the efforts of the central banks to achieve a smooth though painfully slow financial reconstruction through bale-outs and rescheduling, a small but persistent chorus of experts call for more radical solutions. Merchant bankers such as Lazard Freres in New York and Morgan Grenfell in London have fathered a family of schemes to substitute long-term, low-coupon debt for the short floating-rate obligations of the poorer countries, imposing a loss on the lenders—a kind of merchant banker's revenge on the commercial banks.

Modest guaranteed real income

Mr Norman Bailey of the National Security Council in Washington proposes kind of sovereign equity—a tax on debtor's exports rather than a money rate of interest. It was perhaps a similar thought that inspired Sir Geoffrey Howe to offer investors a modest guaranteed real income in indexed bonds last year, as an alternative to a high money income of uncertain real value. Some such radicalism may well be needed before w ecan complete the reconstruction and create the financial conditions for recovery.

SCOTCH WHISKY

Why times are hard

By Mark Meredith, Scottish Correspondent

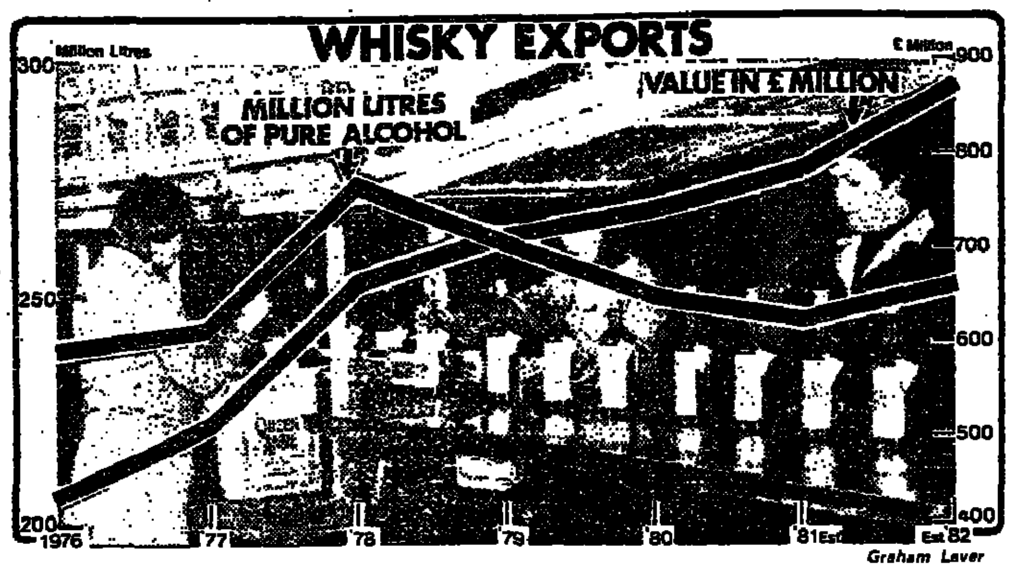
SCOTLAND takes knocks to its whisky industry very hard and Distillers' cutbacks announced this week have hurt badly.

Not only is Scotch deeply embodied in the national character, it is an important source of employment in Scotland where, according to a 1981 estimate, there were 21,000 employed from distilling to bottling. That number was already down from over 23,000 in 1979 and has fallen further since but should be seen against Scotch whisky exports valued last year at £871m.

Scotland has about 20 whisky companies, but Distillers (DCL) has a commanding position in the business, employing half the total workforce, and wihsky in turn accounts for well over three quarters of the profits of the drinks, food and industrial gases conglomerate. Brand names such as Johnny Walker, Dewars, Black and White, White Horse, Haig and Vat 69 compete against each other in a world market worth about £1bn.

This week DCL announced that 530 jobs would go at distilleries dotted from the Isle of Islay off the west coast to remote Brora in Sutherland in the north. Eleven of the company's 45 malt distilleries and one of its five grain distilleries are to be closed. And this follows last month's decision by Haig to close another plant in Fife, which cost 320 jobs.

In Scotland's rural areas, distilling, legal or otherwise, has gone on for centuries. In some small villages the distillery is the only source of jobs—and companies have relied on local expertise for the skilful blending of selected malt whiskies with grain whiskies.



Graham Laver

It is this tradition which, according to several analysts, has prompted many companies to run their distilleries and bottling plants on short time for the past year rather than take more savage measures.

But the prolonged recession has now finally pushed the biggest employer to make the cuts.

The whisky business is a peculiarly difficult one. The industry has always to think six years ahead—the average time it takes for whisky to mature.

The buoyant market in the early 1970s encouraged companies to produce and lay down extra stocks. Distillers calculates that the recession has played havoc with its forecasts, knocking 15 per cent out of the worldwide market.

The inbuilt cushion of maturing stock has thus turned into a financial millstone. Whatever complex forecasting models are used to determine future sales, there is no escaping the fact that stocks need to be sold before costs can be covered.

A number of independent companies produce their own brands and feed some of the larger works with bulk supplies. The independent malt distillers who have unsold stocks on their hands, have responded to the present situation by selling bulk shipments of malt cheaply—it is the malt element in a whisky blend which cannot be duplicated elsewhere. Rotterdam, for example, has a market for spot bulk whisky as well as oil.

Producers at home and abroad have used this whisky to manufacture cheap brands. Supermarket chains have also been able to discount "own brands."

Whisky sales have thus polarised. De luxe malt whiskies and cheaper brands have gained at the expense of medium-priced whiskies. Thus select single malt whiskies have held up in price.

Amid all this turmoil, however, there are signs of some improvement. The indicators, picked up by analysts at stockbrokers Wood Mackenzie, include an end to destocking in the trade, leading to reasonable recovery in exports of 1-2 per cent in 1983 and growth of about 3 per cent this year. But Distillers does not see the end of the recession and points out it will take a long time for any sales recovery to translate into a significant increase in production. DCL is now forecasting long-term growth of 3 or 4 per cent but from a much lower base.

Mr Mark Godridge of stockbrokers de Zoete and Bevan estimates that trade stocks are now down from about six months supply to three. He says the real turning point will come when the producers themselves are able to start reducing their stockpiles.

It is in the export market where DCL will be looking for the main recovery. Export sales account for 38 per cent of group profits now as opposed to 70 per cent in 1976 according to Wood Mackenzie.

Exports are showing signs of some improvement and any recovery in the U.S. in the second quarter should start to show improvements in whisky consumption. In any case sales to Central and South America, Europe and Africa and the Far East have improved from 27 to 36 per cent of group sales between 1976 and 1982 according to Wood Mackenzie. This has reduced the dependence on the U.S. market.

In the meantime at home DCL faces an aggressive company whose managing director, Raymond Miquel, has been able to ask "what recession?" His company, Bells, has shown fast growth from a market capitalisation of £10.5m in 1973 to a present value of £220m. Bells one brand holds 20 per cent of the UK market and has seen an elevenfold increase in exports from £3m to £33m in a decade.

Well behind Bells come Teachers, part of Allied Breweries with 15 per cent and then Highland Distilleries Famous Grouse tied with Haig in third place.

UK WHISKY SALES MARKET SHARE

1978	1981
Bells (24%) (Arthur Bell)	Bells (24%) (Arthur Bell)
Teachers (15%) (Allied)	Teachers (15%) (Allied)
Haig (13%) (DCL)	Famous Grouse (8%) (Highland Distilleries)
Grant's (7%) (Wm. Grant)	Haig (8%) (DCL)
White Horse (6%) (DCL)	Claymore (8%) (DCL)
Famous Grouse (3-4%) (Highland Distilleries)	White Horse (7%) (DCL)

Source: FT estimates

The U.S. battle for consumer loyalty

By Paul Taylor in New York

IF THE recession has turned anyone to drink in the U.S. it is not to Scotch.

Sales of imported Scotch in the U.S., the industry's most important export market, plunged by about 9 per cent last year while shipments fell by around 11 per cent reflecting a significant reduction in wholesaler and retailer inventory levels.

The decline in sales has hit all segments of the market. Sales of "super premium" brands like Chivas Regal and Johnnie Walker Black Label, once considered immune from the effects of an economic downturn, have faltered for the first time.

Last year sales of bulk brands, until recently the major growth section of the market, also fell sharply. But perhaps most disturbingly it was the middle-priced premium brands selling for between $12 and $16 for a litre bottle which bore the brunt of the sales slump.

The four premium brands, J and B (IDV)) Dewars (DCL), Johnnie Walker Red Label DCL), and Cutty Sark (Berry Bros), dominate this section of the market, each selling between 1.5m and 2m cases a year.

Yet the premium brands are also the most vulnerable to changes in consumer tastes, pricing and the economic environment. Mr John Heilmann, president and chief executive of Somerset Importers, the Norton Simon subsidiary which imports the Johnnie Walker brands, said yesterday: "The battle wil be won or lost in the premium category.

The battle is principally one over consumer tastes, pricing and promotion. In all three areas the industry has been losing out in the U.S. for the past decade.

A Seagram official blamed the recession and changing tastes for the decline in Scotch sales in the U.S. "Just look at the figures. They tell the whole story and it does not come as any big surprise," the official said.

But in common with other major Scotch distillers, Seagram is reluctant to discuss the current state of the U.S. market. Most major importers are, however, projecting a further decline in Scotch sales this year, perhaps by 2 or 3 per cent.

Scotch first became a popular drink in the U.S. folowing the Second World War as servicemen returning from Europe brought home an acquired taste for the product. But those consumers are getting older and the new generation of drinkers in the U.S. were weaned on Coke and other sweet tasting soft drinks.

By the late 1960s the Scotch market was under attack as the younger generatio nof drinkers turned to "mixables" like vodka and gin followed by white rum and then to wine.

Mr Heilmann characterises the shift in tastes as one towards "lightness"—lightness of colour, taste and alcoholic content.

> A new generation of drinkers has turned to 'mixables' like vodka and gin, followed by white rum and finally wine

The Scotch whisky industry was slow to adapt to this change in fashion although two of the premium brands, Cutty Sark and J and B did in fact adjust their blends slightly in response.

Nevertheless the change in consumer taste was firmly set. "Twenty year ago if you offered someone at a cocktail party a Tequilla Sunrise they might have turned round and said 'Gee that looks nice but I am a Scotch drinker.' Today do the same thing and they would probably say 'Gee that looks nice, thanks very much,' says Mr Heilmann."

"The consumption pattern has fanned out," he said. "People are willing to experiment drinking less at a time but on more occasions."

The other major factor accelerating the decline of Scotch sales in the U.S. has been price. In the mid-1970s several key factors came together which encouraged UK Scotch distillers to bump up the price of their product.

Domestic inflation in the UK, high interest rates and currency fluctuations led distillers into a period of very aggressive price rises. As a result the manufacturers opened up a large price differential between the premium brands and U.S. domestically produced spirits, Canadian whisky and other distilled imports.

The result is that for the price of a bottle of Scotch in New York today, the consumer can almost buy two bottles of premium vodka or rum.

When the recession hit the U.S. that price differential really began to tell. Consumers either traded down to the cheaper bulk brands which are imported and bottled in the U.S. and sell for up to $10 a litre bottle, or out of the Scotch market altogether.

The key question which Mr Heilmann believes the industry must now address is whether or not the change in consumer tastes is a permanent one or whether the industry could do more to improve the "fashionability" of Scotch.

If the industry is to halt the decline of Scotch sales in the U.S. then importers believe two things must happen. First the price of Scotch must be held down or even reduced. Second the industry will have to further increase its $30m to $35m a year advertising and promotion budget.

However, some industry insiders doubt whether the distillers have the stomach for either.

The major distillers are unwilling to speculate on the longer market prospects. However there are slight indications that 1983 may prove to be something of a turning point for the industry.

Mr Heilmann believes that the pendulum of taste may have begun to swing back towards stronger tasting spirits like Scotch. Some evidence for this view is provided by the healthy sales figures being knotched up by bourbon distillers and a resurgence of interest in single malts.

Glenlivet and Glenfiddich are the two major single malts sold in the U.S. and although single malts account for a tiny proportion of the shrinking U.S. Scotch market, selling about 350,000 cases a year, sales appear to be firm.

The other hopeful indication is that some distillers do appear to be making an attempt to come to grips with the question of the image of a Scotch drinker in the U.S.

Last year Bell's launched a campaign to carve out a niche for itself in the U.S. market where it currently has virtually no presence. To achieve that objective the company is attempting to market the brand to a younger customer.

While most industry analysts in the U.S. are doubtful whether Bell's will succeed in the current sales environment they are willing to accept that the company may have hit upon a sales and promotion strategy which could be adopted by others within the industry.

Letters to the Editor

Dollars

From Mr A. Horsnail

Sir,—Perhaps your powerful summary of the Ditchley meeting should be required reading for us all (Economic Viewpoint February 10). Antony Harris says, as I understand it, the severe world debt problems will not be resolved until there is a recovery in global demand levels and, in turn, this will not happen until real interest rates are much lower.

Apparently, the Ditchley experts perceived the root of the problem in "wrong Government policies — especially the U.S. fiscal deficit." Some other students of affairs might suggest that difficulties in the practical application of monetary control policies are equally to blame.

For example, it is very difficult to reconcile U.S. figures for the fourth quarter of 1982, when money supply continued to grow at a 10 per cent to 15 per cent clip while consumer price changes were virtually zero and manufacturing output fell by 4 per cent. This money supply rise excludes most of the post Christmas data when the figures were boosted by the inclusion of new demand deposit accounts. Why is it that money supply is still rising so rapidly despite clear evidence that the U.S. economy has been brought to its knees?

I believe that many major trading companies are leaving a higher proportion of their assets in U.S. dollars and that it is virtually impossible for the U.S. Federal Reserve to sift international funds from domestic funds. My experience is that with U.S. dollar interest rates and a strong dollar exchange rate there is a case for holding a much higher proportion of business assets in dollars, but borrowings in other currencies are up to compensate. With trading leads and lags, dollar swops and speculations in the money market it is almost impossible to segregate international dollars from domestic dollars. It is possible therefore that U.S. money numbers will continue to frighten financial markets into leaving interest rate at unacceptably high levels. The question arises: how do we solve this catch 22 situation?

A. G. Horsnail.
22, City Road, EC1

Change

From Mr P. Dignam

Sir,—I wish to draw attention to a fundamental and unfortunately widespread error concerning the relationship between the payment of statutory and occupational sick pay.

Occupational sick pay is not "additional" to SSP as reported in your columns on February 7 ("Sick pay rules change prompts better schemes"); they are in fact paid together as part of each other, the lesser being contained within the greater. That is to say, if the OSP is £80.00 per week and the SSP is £40.25 per week, then the employee would still receive only £80.00, but £40.25 of that will be notionally deemed to be SSP, and this therefore becomes recoverable by the employer from his NI contributions.

This vital point about the nature of the offsetting process has been widely misconceived by trade union negotiators, those responsible for OSP schemes and the agreements for qualifying days and particularly by those software designers involved in the amendment and redevelopment of payroll systems.

The gains to be made by optimising sick pay arrangements could well fund the considerable administrative burden of SSP; employers should be examining in great detail this critical area.

Peter Dignam,
Oxgate Farm,
Coles Green Road, NW2.

Protection

From Mr J. Berry

Sir,—There has been a good deal of discussion during the last year about the protection of investors' assets and the overall conduct of investment advisers, in particular the independent and smaller companies involved in giving advice to the private investor.

Professor Gower has examined ways in which the existing legislation can be tightened and the proposed new rules for licensed dealers in securities should go a considerable way towards ensuring that such companies are run in a competent and honest manner.

Many of the proposed new rules however rely not only on the accuracy with which firms report to the Department of Trade, but also place a considerable burden on the department to examine and follow up such returns made to them by investment advisers.

I believe that there may be a relatively simple solution to this problem which to some extent is already in practise in some firms. All licensed dealers should be subjected to regular check ups by an auditor appointed by the department. This audit would examine the procedures used by firms in handling their clients' investments and would probably be paid for by the licensed dealers themselves.

J. A. J. Berry.
Berry Asset Management,
8th Floor,
Brettenham House,
Lancaster Place, WC2

Title

From the Financial Director, James Latham

Sir, — There now seems well-established precedence that when a supplier has a retention of title clause within his conditions of sale, and where the buyer is in default, that the supplier is entitled to the return of his goods. This principle was established in the Romalpha and subsequently in the Borden (UK) judgments.

It is therefore very depressing that receivers still choose to haggle when a supplier wishes to assert his legitimate rights for the return of his goods; indeed, many receivers will not budge until solicitors' letters have passed and, in some instances, legal action has been initiated. Most receivers are appointed under charges taken on assets by banks. One reads in your columns of the numerous companies which banks are having to support. The actions of receivers in fighting even, to them, modest retention of title claims, are making life difficult for the survivors. May I suggest, sir, that the time has now come for the banks to ensure that the receivers they appoint understand the rudiments of commercial law.

Christopher Latham.
Leeside Wharf,
Mount Pleasant Hill,
Clapton, E5.

Skills

From the Vice-Chancellor, University of Salford

Sir, — You are right to draw attention to the continuing and lamentable gap between academic and vocational studies in our schools in your article of February 14. The Manpower Services Commission's new scheme, although very welcome in itself, will do little to bridge that gap and could make it wider.

The need, as you rightly say, is for those destined for senior positions in society to acquire for themselves and to value in others practical skills. You are on less firm ground, however, when you criticise those "universities which were set up to emphasise the development of technical and other practical skills" for not recognising qualifications other than "A"-levels. This university, for example, draws approximately 20 per cent of its annual student intake from candidates with non-"A"-level qualifications. We have also decided to follow the recommendations of the engineering professors conference which, in March 1982, urged universities to accept "A"-level qualifications in technology and design as suitable "third subjects" for the purposes of university entrance. This university's teaching aims, *inter alia*, "to result in graduates with the capacity to identify, formulate and then solve problems and to make, design, organise, produce or construct useful objects and services."

Of course, it could be that these characteristics are precisely those that led the University Grants Committee, with Ministerial endorsement, to cut our recurrent grant by more than any other university in July 1981, but that is another story.

(Professor) John Ashworth.
University of Salford, Salford.

Acrow

From Mr K. Speyer

Sir,—Ray Maughan (Feb 12) reports on "concluded" negotiations between Acrow and various banks resulting in a charge on all Acrow's assets in favour of bankers, and that "agreement" has been reached with Acrow's debenture and loan holders.

This loan stock holder knows of no such agreement nor would he be party to it when directors agree to give the banks preferential treatment over loan and other creditors. A situation very nice for the banks in making their place more secure at the expense of the latter! The finance director is reported to say that the capital structure of Acrow did not permit raising of additional equity finance.

The directors' control rests on a tiny voting capital wagging a large unenfranchised shareholding body. The position seems to be: rather give the banks favoured treatment over other creditors to retain their continued support than enfranchise all shareholders, which could of course lead to loss of voting control by the present management, loss of profitable jobs (unearned when leading to losses as hitherto), and possibly a bid.

K. G. Speyer.
208, City Road, EC1

Indexation

From Mr H. E. Rylands

Sir,—I have just seen a copy of a working guide to the indexation of capital gains for professional advisers. It contains over 80 pages of foolscap size.

The Treasury officials who devised the very complicated rules for indexation must have been out of their minds if they thought that they would be comprehensible to the average investor. Professional advisers, especially accountants, will be laughing all the way to the bank and the Inland Revenue will no doubt be pressing for more staff to cope with the problems.

H. E. Rylands.
The Red House,
Dunham Massey,
Altrincham, Cheshire.

Water

From Mr C. Trinder

Sir,—The water workers want a wage settlement that will lift them into the top quarter of the manual weekly earnings league and give them parity with gas and electricity workers. The two objectives may mean the same thing at the present time, but have not in the past. During the 1970s gas and electricity earnings were considerably below the top quarter of the earnings league and only recently have they made significant strides up the league table. Single year comparisons can be misleading but in 1978 average earnings in gas and electricity seemed to be roughly in line with average earnings for the economy as a whole. Water workers were in that position in 1982 but by then the gas and electricity workers were in the highest paid 25 per cent.

The committee of inquiry which you say (February 17) will receive evidence by aeroplane, discuss it by telephone, have an oral session on Saturday and publish a written report on Sunday, will have done a good job if it sorts out issues like this with a timetable like that.

Chris Trinder
National Institute of Economic and Social Research
2 Dean Trench Street,
Smith Square SW1.

Ian Hargreaves meets the women of Greenham Common

OUTSIDE THE heavily guarded main gate of RAF Greenham Common in rural Berkshire, Jane Dennett has decided it is time for the still sleeping portion of the world's most famous peace event to get up.

Slowly, the women emerge from their flapping canopies of plastic sheets draped over washing lines which, since Newbury Council imposed its ban on "structures" on the common, have served as home for the 20-month-old peace camp. Their welcome is a blackened pan of cheerfully overboiled Batchelor's minestrone soup. "We're another day closer to Armageddon," says Jane to the reporter. "We cannot live with this tension."

"Anna, what are the hard bits in here?" asks a well-spoken voice. Clearly someone who has not yet adjusted to life around a campfire which, through two winters, has provided the only source of heat and the only place to cook.

But it is 10 am and the day is already well advanced for most of the peace women. A mile further along the camp's perimeter, at the "green gate" or works entrance, 41 women have already been arrested that morning for obstructing lorries. Three miles away at Newbury Magistrates' Court, an earlier batch of 42 protesters is into the second day of a hearing. They climbed into the base on New Year's Day and danced on the concrete silo which, by December, is destined to hold 96 American cruise missiles.

Jane, a blooming 60-year-old widow with shoulder-length hair and six grown-up children, came to Greenham last September as an expression, primarily, of her Bennite politics and longstanding support for CND.

"It was bloody awful at first. I just went to bed every night thinking 'I can't just stand this; I shall have to go.' Now I feel good, even though the weather is colder. Nothing could make me leave now," she says. "This is one thing in the whole world that's giving hope to women."

Around the fire, the novices who have missed the earlier action are wondering what comes next. Anna Minogue, an unemployed 20-year-old Londoner, was one of the 30,000 women who on December 12 "embraced the base" in a nine-mile chain; a gesture whose undiluted emotional impact did more to raise the temperature of the British disarmament debate than anything else last year. She has returned to support those in court and because she likes the camp. "Before December, I didn't realise there was anything I could do about it," she says.

The same experience is recounted by dozens of women who pass briefly through the camp each week, rotating around a permanent or near-permanent core of about 25. Jane has not been to her home in Derby since September and is one of 19 women who have qualified for the Newbury electoral roll.

Some, a small minority, support political causes of the Far Left; many, perhaps a majority, are deeply committed feminists, but they come in all ages, shapes and sizes and from all backgrounds.

Anna Fraser, 36, is up from Camarthen in Wales, for a few days with her sons, Adam and William. From behind her soldered-up NHS spectacles, Anna, like many of the married women involved, says that she is doing it for her children.

Julie Knight, 32, has two children at home in Workington with her husband, Geoff, a plumber. Monday was their wedding anniversary and Geoff managed to get Interflora to deliver a rose to the camp.

Why is she there? "An opinion poll about four years ago said 40 per cent of people believe there will be a nuclear war within 10 years. My daughter came up to me and said: 'That means I will be 19 when I die!'"

It is the gaunt simplicity of such emotions which captured the response of the world on

> 'An opinion poll said 40 per cent of people think there'll be a nuclear war within 10 years. My daughter said: "That means I'll be 19 when I die"'

Ashley Ashwood

December 12 and which is still bringing between 50 and 100 letters a day to the old fridge which serves as the camp's post box.

On Wednesday, there was a telex from the Democratic Women's League in Austria, letters from the U.S. and £10 from a man in Solihull, who also sent a poem. In freezing February, miles from the coast, a free copy of a book called *Nude Sea Bathing is the closest thing to hate mail.*

"What we really need," says Jane, "is Gortex sleeping bags." These outdoor bags will be used if Newbury Council succeeds through the High Court next week in rescinding the unfettered right of citizens to take air on the common. Xeroxed affidavits for the case are nailed to a stake in the camp, like some railroad company's land title in a wild west drama.

But between the council and legal success, the women say, will also stand hundreds, perhaps thousands, of women who plan to descend upon London on Tuesday to register themselves as members of the camp and to "embrace the court." Letters are going out to 1,000 women's groups — not peace groups, necessarily—which are, says Jane, "the key to our organisation." Support from backstage also comes from CND, although some women resent this as interference and are annoyed that their second mass embrace of the Greenham Common base at Easter will also, under a CND plan, link up with a mixed sex human chain across 14 miles to the Burghfield atomic weapons centre and to Aldermaston.

Today, however, there are *battles closer to home.* "Who's coming to court?" someone asks. Everyone is.

Outside Newbury Court, 70 women are already keeping watch, talking, smoking, shivering. "We are the weavers, we are the web," they sing, in a reference to the woollen webs they spin over fences and walls, gates and trees wherever the protest passes, in an ambivalent symbol of entrapment and unity.

When the court adjourns for lunch, women stride out to embraces, tears, more songs and dancing. Some have grey hair, some pink. The ages of those on trial range from 17 to 72.

Back at the camp, more visitors are arriving. There is a Japanese woman in an exotic hat and part of the CND group from prosperous Bradford-on-Avon. Was the camp what *they* expected? One, who would not look out of place at a Tory Party wine and cheese evening, surveys the duckboards, the gold tinsel threaded in the bare trees, the dirt and the bales of straw which serve as seating and says, with a smile, "pretty much so, yes." But even these visitors are in no doubt that an all-women camp makes sense, on the grounds that it decreases the chances of serious violence and attracts more publicity. Who even knows about the eight mixed sex peace camps at other British bases? Who *indeed?*

For many of the peace camp residents, however, the ban on men is more fundamental than this. Over at the green gate, a neater settlement with real tents, a male reporter is politely but firmly asked to leave this "women only" zone.

Back in Newbury, emotions are rising. The women have been found guilty, but it remains to be seen how many will refuse to be bound over to keep the peace and so be sent to jail.

Singing, mixed with oriental-style funeral wailing, begins in earnest. "You can't kill the spirit, she is like a mountain, old and strong, she goes on and on." At "you can't forbid my tears to flow," Jane and others are weeping, but the smiles return with more militant rhythms: "You may drive a big machine . . . but you just can't take my dreams away."

Inexplicably, from nowhere, a police car lunges into the screaming crowd. "You see *what I told you,*" *says Julie.* "I believed in our policemen until I came here. I don't know what's happening."

But the drama is soon over. The six women who have agreed to binding over emerge, one with a saxophone. The other 36 leave later, in vans bound for Holloway Prison.

Julie asks for a lift back to the camp, but stops to phone Geoff. "We've got our mortgage," she says, "and Geoff wants to know if I can get back a day early to sign the papers. I'd love to be able just to put the kettle on and make a cup of coffee or something."

At the camp, two women are drawing water from the mains connection across the road and pallets are being broken up to stoke the fire. Jane wants volunteers to address envelopes for the High Court campaign. Three leave for the house of a sympathiser, four miles away, where the camp has a telephone and a desk.

Around the fire, where all decisions are made, the discussion is of tactics and next steps. Some believe co-ordinated industrial action is possible. "I'm not much into organisation but I'm going to learn," says one woman.

The truth, however, is that the peace camp has no general strategy beyond surviving and adding to its numbers. Decisions about whether to block the road or occupy the base are taken spontaneously with each woman present deciding her own role: coat holder, legal observer or participant.

They show little interest in the latest issue of the CND magazine, Sanity, in which Annie Tunnicliffe, a member of CND's council, argues that the growth of feminism at Greenham may lead to "an unnecessary and dangerously divisive split in the peace movement."

Jill and Barbara, two of the core residents, return dejected. "Half the family is gone," moans Jill, who then proceeds to recount her own experiences of prison brutality. At 41, she is a veteran, but her words frighten others and one woman begins to cry. "Where have all the women disappeared to? We need more women," wails Barbara.

As the events of the day are picked over and the kettle boils, interpretations are drawn like a whirlpool to the women's central conviction: they are victims of a sophisticated regime of male-dominated violence, whether that violence expresses itself in atomic missiles, policemen or sexual politics.

It is Jill who shakes the mood of oppression. "We'll set up a peace camp at Holloway," she says, "we'll do it tonight. Where are the Gortex bags?"

"Tonight?" says Barbara. "Tonight," says Jill. Another van load of women from the court arrives, one of them with a pan of stew. "Look what mummy made," she laughs and plonks it on the fire. Mummy, a few paces behind, plump and ordinary, beams.

"Hello, we are from Sweden, may we stay here for some nights?" says another voice from the darkness. Four Swedish women, with spotless nylon rucksacks, have brought greetings and money from the Swedish peace movement. They are embraced and offered Jill's tent for the night.

"We're going to Holloway," says Barbara to the stew party, "can we go in the van?" Jill dances off into the darkness singing: "Tonight's the night." Barbara's eyes are sparkling again.

It is time for the Financial Times to depart. Four women want a lift back to London.

These four are the young, some would say the extreme end of the women's peace movement. Two say they are lesbians and will not under any circumstances work in a mixed sex political group with committees and "male structures." They don't believe the Labour Party is capable of delivering disarmament, indeed they are not much interested in parties.

But they believe in Greenham. There, they say, they find warmth, friendship and the *opportunity to express themselves.* They say they think they will win, but Lucy admits: "I came to Greenham first because it's a women's camp and second because it's about peace."

"We have to have our space, away from men," says Sarah. "Let them work it out their own way."

Weekend Brief

Athletes and 'born-again Christians'

Sue Barker, one of the growing band of sportsmen and women, *who have become "born-again* Christians," told me about her faith.

"It has given me a bigger incentive to work at my tennis. The Bible tells us to find what we do best and to do it to our utmost ability. I feel now I am serving Jesus through my tennis," she said.

"My faith has been growing over the past five years. Of course, I was at school at a convent so that I was brought up to be aware of God. But even when I was doing well with my tennis I felt there was something missing in my life. So 15 months ago I made my commitment.

"My faith is the most important thing in my life—that is why being around with Cliff (Richard) is so marvellous—we have so much in common. "Born-again Christians," like us believe we must live our whole lives for Christ as against those Christians who merely go to church.

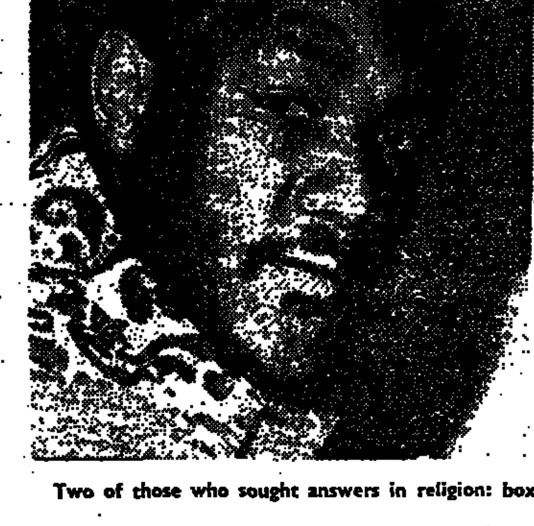
"Many of the tennis players are "born-again Christians"—on the tour we live for Him—we let our tennis shine through us for Him. Many of the girls on the tour are worried about their lives. They like to talk to me about my faith. I tell them I've got my life in better perspective now. I no longer put pressure on myself to win at all costs."

In every sport there are many with the potential for greatness but the ones who reach the top are those whose mental powers lift them above their peers. Ambition, dedication, concentration, single-mindedness, ruthlessness and pride of performance are some of the necessary qualities.

Performing in the goldfish bowl of *his chosen arena* where public expectation is heightened by intrusive TV coverage, during play, and where home life is invaded by an inquisitive Press, the athlete has to bear an awesome burden of pressure. Some crack under the strain, and turn to drink or drugs.

At the highest level of international competition, especially in single combat sports where often huge rewards turn on the result, the performer who is stretched to the limits of physical capacity experiences a loneliness, an isolation, that raises fundamental questions about his or her place in the universe, and also more mundane problems like how to cope if one's game is on a *losing streak.*

An increasing number of athletes seek the answers in religion. Many prominent past and present sportsmen are proud to proclaim themselves "born-again Christians" though of course many Christian sportsmen come to their faith in other ways. Whatever the route their fame draws attention to it. Sue Barker in tennis, Ian Bolton and Alan West in soccer, are well known for their views over here and, in America former heavyweight champion George Foreman and footballers Charlie Getty and Terry Baldwin plus Superstars winner Kyle Rote Jnr are further examples. At some American football clubs the players organise prayer sessions before matches and in Britain the Christians In Sport *organisation aims to establish* a chaplaincy in every League football club. Canon Keith Tyte is already installed at Newport County.



Two of those who sought answers in religion: boxer George Foreman and tennis player Sue Barker

An insurance problem with contact lenses

London reader Mary Rice has received an unwelcome letter through the post — her broker will no longer insure her contact lenses. Not because she stamped on them or boiled them up with the eggs, but because they are soft.

Just one year's experience of the soft lens market, has convinced his Lloyd's underwriter that "adverse claims experience" demands withdrawal. In other words, he got his sums wrong in a technological market and Mrs Rice is left with £90-worth of uninsured plastic 20/20 vision.

To explain, soft lenses came from Eastern Europe a decade ago, are attractive since you can keep them in overnight, have the cachet of a BMX bike, but are expensive — not least since they must be replaced approximately every 2½ to three years.

In addition, they are easily damaged in handling and — unlike hard lenses which last ten years — *it* is the damage and tearing which gives rise to an excessive number of claims. Brokers have found that giving cover at £33 per cent is not enough, but more than enough for many insurees. The one-third rate means they will have paid twice over for their lenses just when they wear out.

Should the adverse claims experience have also affected your eyesight as a soft lens wearer, you can still get cover —at a price. Burgoyne Alford Insurance Company of Horsham will quote you at £38 per cent up to £250, close to £20 an eye.

Otherwise wait until the present pair have worn out. High Street opticans Dollond and Aitchison claim they can offer some light on the retina next month. Previously cautious about prescribing such newfangled devices, they are launching their own insurance scheme for soft lenses on a pilot basis in the Midlands, and hope to introduce it nationally by October.

At £15 premium for normal soft lenses and £24 for complex ones — plus a replacement charge of £9 per lens per claim —the client is insured against loss or damage, with normal wear and tear exclusions relaxed, up to four claims a year. With the two types of lenses costing £94 and £185 a pair respectively, it seems to be too good to be true. So where's the catch?

Simple. Your have to buy the lenses from them. Since the suspicion in the trade is that *claims rocket as the soft lenses* wear out — something the normal insurance firm can't check out — *D and A hope to quash* the practice by being judge and jury, optician and insurer.

Watch this space for their 1983-84 adverse claims experience.

Golden echo from the Great Depression

The magazine which exalted all the optimism, frivolity and cultural snobbishness of the roaring 20s is being reviewed next month in the U.S. and later in Britain with a splash. *Vanity Fair,* which first appeared in 1914 and disappeared in 1936 at the height of the Great Depression, is making its return just as the U.S. appears to be finally emerging from its worst economic recession since then.

For the Condé Nast group — the magazine company which owns *Vogue* but which is today privately owned by the Newhouse family — the return of *Vanity Fair* fulfils a dream that dates back to 1936. Even when they stopped publishing the magazine, its name was incorporated with *Vogue.* "They never let go of it," explains Ms Heather Collins, the publicity director of the new magazine.

The people at Condé Nast are betting big on the rebirth of *Vanity Fair,* all the more so when the conventional wisdom is that no one really wants glossy "cultural glitz" at a time of general economic austerity. Wrong, the people of *Vanity Fair* say. A new group of readers has emerged in the U.S., according to their market research.

"This new group is wealthy, both male and female, and composed of professional people as well as business men and women. They take a serious and informed interest in literature and the arts, politics and popular culture. As they rapidly advance up the economic and social ladder, they bring a scepticism and sophistication to their lives that is in many ways unprecedented in American social history." Its new characteristic is that its members are young and not like some of their predecessors, middle-aged.

Is this social psychological babble? No, says *Vanity Fair.* "These are the people for whom we are publishing the new *Vanity Fair.* They constitute the most valuable, active and influential upscale audience in America today."

In its golden days, the old Vanity Fair featured the likes of Dorothy Parker, Edmund Wilson, D. H. Lawrence, T. S. Eliot, Gertrude Stein, among other celebrated contributors. Visually it was stunning with portraits by noted photographers like Man Ray, Edward Steicher and Berenice Abbott among others and reproductions of paintings by Renoir, Matisse and Picasso.

The magazine's first new issue (to appear on March 1 in the U.S. and March 10 in the UK) will include a short novel by Gabriel Garcia Marques, the South American novelist who won the 1982 Nobel Prize for Literature. It promises to be as visually impressive as the original.

But for the publishers *Vanity Fair,* the biggest coup of all has been the response to the new magazine from the advertising community. "We were shooting for 60 pages of advertising in our plans," says Ms Collins. "We've got 168 pages of advertising. This, by any standards, is remarkable." The average of recent new magazine launches in the U.S. has been in a range of between 58 pages to 90 pages of advertising, and with 122 pages of editorial. *Vanity Fair's* first issue will look more like a book or a big Christmas sales catalogue with a total of 290 pages. "It won't be that thick always. It's normal to have a big splash in the first issue *because advertisers like to be in* the first edition," says Ms Collins.

The advertisers, whose enthusiastic response will give *Vanity Fair* a staggering \$1.4m in advertising revenues for the first issue, clearly think the return of the magazine will be a success. Only time will tell, however, whether *Vanity Fair* has identified a new cultural elite hungry for what it calls "a magazine for the more complex and contradictory times we live in." It certainly could not have picked a more challenging time.

Inside story of some Royal teeth

While you are reading this, the milk teeth of a future king are working their way through his gums. For Prince William teething is a testing and often uncomfortable time. Squalls of temper can send mother or nanny scurrying.

But has Prince William tried a Bickiepeg? The answer may *not be known for some time* as the Royal Households do not disclose what commercial products they buy until they have been used for three years or more.

But the assurance "Used in Royal Nurseries" on the side of each pink, blue and white package of Bickiepegs points to a precedence in the *advancement of royal teeth.*

Enquiries at Buckingham Palace could not certify the actual number of teeth in Prince William's mouth but it is about his age when they start to appear.

A family company in Aberdeen owns Bickiepegs and the small, finger-like teething biscuits are baked in a plant not *far from the city centre. James* Miller, a 30-year-old business graduate, now runs the company his father bought in 1958. From a well worn black loose leaf binder in his top desk drawer he reveals the history of the Bickiepeg since its invention by Dr Harry Campbell, a Harley Street pediatrician in 1925.

An important growth spurt in the Bickiepeg history book followed the decision in 1934 of the Queen Mother, then the Duchess of York, to allow the firm to adopt the "Used in Royal Nurseries" slogan. It was something less than a royal warrant but some success had been found in assisting the arrival of Princess Margaret's teeth.

No positive indicators have since been received from a subsequent generation of royals as to Bickiepeg use. During the war years the Bickiepegs defied rationing to a sales and production boom. Packets of nine and 18 saw sales reach 3m Bickiepegs a year, a figure reached again in the 1970s.

Most of the staff of nine in *the Aberdeen factory*—a converted church hall—have been there 11 years. In the packing room Mrs Muriel Sinclair and Mrs Milly Greenlaw and their two colleagues load each pack with eye-defying speed.

A vital design feature of the Bickiepeg is a ribbon which can be attached to a small wrist to aid recovery when dropped.

Questions about the customers for Bickiepegs bring an embarrassed smile to the moustached features of Mr Miller. He wants to help but the technique which turns flour, wheatgerm salt and water into an object with the consistency of granite, remains a company secret only shared with Mr Leslie Farquhar, the baker.

This is the method, as yet uncopied by other rusks—which have pinned on Bickiepeg their "tooth enducing qualities." "Nothing but the Tooth," is the title of one of their sales leaflets.

Contributors:

John Barrett
Roger Beard
Paul Betts
Mark Meredith

Economic Diary

TODAY: Mrs Margaret Thatcher addresses National Young Conservatives conference, Bournemouth.

TOMORROW: Department for National Savings' monthly progress report (January). Report of Johnson inquiry into water workers dispute expected.

MONDAY: EEC Foreign Ministers start two-day meeting, Brussels. TUC Finance and General Purposes Committee meets. EEC Labour Ministers start two days of informal meetings, Bonn. Commons debate EEC Budget.

TUESDAY: Cyclical indicators for the UK economy (January). EEC Economic and Social Committee plenary session opens (to February 24), Brussels. Mr Edward Heath speaks on Brandt Commission's report "Common Crisis" at Royal Commonwealth Society.

WEDNESDAY: Mrs Thatcher speaks at Institute of Directors annual convention, London. EEC Transport Ministers meet, Brussels. Sir Keith Joseph, Education Secretary, speaks at Conservative Trade Unions seminar, Caxton Hall, SW1. Construction —new orders (December).

THURSDAY: Balance of Payments. New vehicle registrations (January). Capital expenditure by the manufacturing, distributive and service industries (fourth quarter—provisional). Manufacturers' and distributors' stocks (fourth quarter—provisional). Energy trends (December) Unemployment and unfilled vacancies (January—final). Employment in the production industries (December). Overtime and short-time working in manufacturing industries (December). Bank staff and gas workers pay talks.

FRIDAY: Sales and orders in the engineering industries (November). Finished steel consumption and stock changes (fourth quarter—provisional). Steel unions pay talks.

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.25	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50	6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00	2-4 years
Chelsea	6.00	6.25	7.25	7.70	3 yrs., £1,000 min. 90 days pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notice
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35	(3 months' notice)
Greenwich	6.00	6.50	7.75	7.75	2 yrs., 7.50 28-day pen./notice
Guardian	6.00	6.50	—	8.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	7.00	1 mth. not., 7.25 flexi 1m. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	7.75	5 yrs., 3 mths. interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. 7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	9.00	28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—	7.00-8.00	on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00	High int. sh. 7.25 Prem. share
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bns.
Portman	6.00	6.25	7.75	7.00	1 mth., 7.25 6 mths., 7.25 5 yrs.
Portsmouth	6.35	6.55	8.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15	(1 mth.) 7.25 3 yrs.
Sussex County	6.15	6.40	8.15	6.90-7.90	all with withdrawal option
Sussex Mutual	6.25	6.50	8.00	6.75-8.00	
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.25 Special Interest Shares 90 days' not. or imm. wdl. with 90 days' int. loss (min. £500), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths.' not with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

STC beats earnings forecast by £1.3m

AGAINST THE forecast of some £63m, Standard Telephones and Cables has produced pre-tax earnings of £64.3m for the year 1982. The final dividend is the promised 4p and effectively raises the total from 4.5p to 6p net.

The forecasts were made in October last when the American parent, International Telephone and Telegraph Corporation, offered for sale a further 40 per cent of the STC shares. This cut ITT's holding to 35 per cent. In 1981, the company's earnings were £50.6m.

Sales rose 11 per cent, from £567.5m to £628.5m. Both major business groups—telecommunications and electronics, and components and distributors—participated in the increased sales activity.

Exports increased by 14 per cent to £143m, representing almost one-quarter of total sales in the year. In the UK sales were up 10 per cent at £486m, showing a real gain in volume as techno-

Sir Kenneth Corfield chairman and chief executive

logical advance continued to bring down the real price of products to customers in many areas.

Margins were improved from 10.4 per cent to 11 per cent of sales, with a significant recovery in the components and distributors business after absorbing an increased charge of £4.1m for depreciation.

Finance charges were lower than in 1981, reflecting reduced dependence on external finance in a period of falling inflation and high interest rates. Borrowings at the end of 1982 were more than offset by cash on deposit.

	1982 £m	1981 £m
Turnover	628.5	567.5
Trading income	69.3	59.0
Associates	1.1	1.3
Finance charges	6.1	9.7
Income before tax	64.3	50.6
Taxation	24.1	14.1
Net income	40.2	36.5

See Lex

Mr Johnstone takes chair at Charles Hill

Mr Alexander Johnstone is to be appointed executive chairman of Charles Hill of Bristol following discussions which have resolved boardroom differences.

Charles Hill, ship repairing and engineering group that has been reporting losses for the past four years, merged in November last with the larger and profitable Kennedy Smale group.

Mr Johnstone heads Kennedy Smale, and was expected following the merger to join the newly constructed board as its chairman. On February 2 it was announced that he would not after all be joining the company, following "differences which have emerged."

After refusing to join the board, he left Charles Hill with no Kenedy Smale representative on the new board. This also led to suggestions that Mr Johnstone might have to resign as chairman of Kennedy Smale, manufacturer of electro-mechanical, telecommunications equipment and knitted gloves.

Commercial Bank of Wales slips

After reporting pre-tax profits down from £1.11m to £716,000 in 1982, the directors of Commercial Bank of Wales say that the prospects for 1983 are encouraging. They add, however, that firm forecasting presents major problems during a time of frequent changes in Base Rate. Group profit before tax and interest was £8.01m against £6.49m. There was a tax credit of £624,000 compared with a charge of £527,000.

The first part of the year has seen greater activity, both in bank lending and instalment credit demand, say the directors. The dividend is a same-again 6p.

BAD AND DOUBTFUL DEBT PROVISIONS PLAY A MAJOR ROLE

Lloyds Bank finishes £70m lower

AS FOREWARNED, pre-tax profits of Lloyds Bank, the first of the big four clearers to report its results for 1982, buckled under the burden of bad and doubtful debt provisions in the second half of the year. However, the balance sheet remains strong and, with pre-provision profits continuing to improve, dividends have been lifted 15 per cent.

After increased provisions of £218.9m against £85.7m, pre-tax profits for the 12 months showed a £69.7m fall at £315.9m. This represents a decline from £210.9m to £122.8m in the second half, for at halfway an advance from £174.7m to £193.1m was reported despite a rise in debt provisions from £24.3m to £62.1m.

Basic yearly earnings per £1 share are stated at 124.2p (145.2p) and fully diluted at 121p (133.9p), while the net total dividend is raised from 21.375p to 24.58p with a final payment of 14.66p.

Commenting on the results, Sir Jeremy Morse, chairman, says that despite recessionary influences the bank's business continued to grow against a background of an average base rate of 11.9 (13.2) per cent. Growth in advances was particularly strong, but since current account credit balances showed only a modest rise the dependence on interest bearing deposits increased and margins narrowed. Nevertheless, net interest earnings were up reflecting the improved volume of business and,

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding div.	Total for year	Total last year
Adams & Gibbon	3.38	Apr 29	2.88	4.63	4.13
Cmmel Bank of Wales	6	—	6	6	6
Drayton Premier Inv	8	Apr 5	7.71	11	10.71
Fleming Enterprise .. int	2	Apr 5	2	—	6.5
Greenfields Leisure	1	Apr 30	0.25	1.25	0.5
Intnl Inv of Jersey	5	Mar 31	5	8	8
Lloyds Bank	14.66	Mar 31	12.75	24.58	21.38
Metal Bulletin	3.8‡	Apr 8	3.5	6	5.5
Scottish Utd Inv	1.07	Mar 25	1.02	1.7	1.6
Charles Sharpe .. int	4.12	Apr 28	4.12	—	8.24
STC	4	May 4	3*	6*	4.5*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

combined with a good rise in non-funds-based income, more than offset the increase in costs.

Because of the provisions made, profits from domestic banking operations were down, and in addition, the contribution from Lloyds and Scottish was lower due to a rise in debt charges and higher funding costs which included those for the acquisition of Bowmaker and the assets of Hamilton Leasing.

Sir Jeremy reports that the continuing deterioration of world economic and political conditions had an impact on international profits. Although an advance in trading income exceeded the increase in costs, this improvement was outweighed by a heavy charge for bad and doubtful debts.

Virtually every nation felt the effects of the recessionary forces, and provisions were widely spread across the bank's business in different parts of the world, affecting both commercial and sovereign risk. There was also an adverse swing of £23.7m from a surplus to a deficit arising from the translation of foreign currency working capital into sterling.

Group bad and doubtful debt provisions broke down as to £186.4m (£51.3m) specific and £32.5m (£34.4m) general. After these, operating profits came through at £324.8m (£391m). The share of associates added a further £35.1m (£25.4m) while interest on loan capital took £44m (£30.8m). Tax absorbed £73.2m (£122.9m) for a net balance of £242.7m (£262.7m) and there were minority profits of £7.1m (£8.9m).

Representing a net share of profits on the disposal of certain Hong Kong assets by Grindlays Holdings, an associate, there was a £6.9m extraordinary credit (£58.6m debit for special levy on banking deposits) and this lifted the attributable outcome up from £195.2m to £242.5m. With dividend costing £46.7m (£38m) a sum of £195.8m (£157.2m) was retained.

On a CCA basis taxable profits are stated at £216m (£247.7m) with the attributable figure at £147.7m (£62m).

HCA shareholders' funds at the year end amounted to £1.95bn (£1.71bn). Total deposits were £31.91bn (£25.31bn), advances £27.71bn (£21.32bn) and assets £34.46bn (£27.66bn).

An aalysis of operating profits shows: interest income £4.23bn (£3.48bn); interest expenses £3.02bn (£2.45bn); net interest income after provisions £988.6m (£945.8m); other operating income £391.6m (£323.1m); operating expenses £1.04bn (£889.1m); exchange deficit £12.5m (£11.2m surplus).

To the profits, domestic operations contributed 55 (53) per cent and the international side 45 (47) per cent.

By division, domestic gave £210.3m (£221m), Lloyds and Scottish £7.3m (£14.4m), Lloyds Bank International £95.5m (£138.7m), Lloyds Bank California £1m loss (£1.1m profit) and the National Bank of New Zealand £12.7m (£15.8m).

See Lex

Greenfields Leisure picks up

SINCE THE half year Greenfields Leisure has continued its recovery and turned in a profit of £536,000 for the full 12 months ended October 31 1982. A final dividend of 1p gives a net total of 1.25p.

The previous year was the most difficult the company had come up against, and it ran into a loss of £1.87m compared with a profit of £14,000 in 1979-1980, and cut its dividend from 2.15p to a nominal 0.5p.

Turnover of the group—retailer and wholesaler of leisurewear and camping equipment—for 1981-82 rose to £21.47m, from £18.43m. At the trading level there was a turnround from a loss of £440,000 to a profit of £1.71m, to which is added £428,000 (£298,000) surplus on property disposals.

Despite the warm winter which has slowed the growth in retail sales, the current turnover is satisfactory and margins have now been fully restored, the directors report.

The wholesale subsidiary, I. and M. Steiner, continues to make excellent progress and is an important contributor to profits.

The directors are hopeful that further significant property profits will lead to a substantial reduction of borrowings in the current year.

Net profit attributable to shareholders came out at £367,000 (loss £1.46m) for earnings of 2.6p (loss 15.9p) per share.

• comment

Strip out property sales and Greenfield Leisure has very little left to show for £21½m of sales. Yet the important point, and one not lost on the shares which rose 5p to 51p yesterday, is that the retailer has overcome its two major hurdles—lousy trading margins and an enormous level of debt. The last 12 months has seen the company clearing out the last of its poor low margin stocks and now trading margins, pre interest and depreciation, are back to their all time high. Borrowings have already come down from £5.9m to around £4m. Still a hefty burden for net tangible shareholders' funds of £3½m, though falling progressively thanks to more property deals, retained profits and a sliming of stocks. With property profits Greenfield could make over £1m pre-tax this year and that could mean restoration of the dividend for a yield of 6.1 per cent.

Listing delay for Utd. Leasing

BY DOMINIC LAWSON

COMPUTER LEASING company United Leasing has suffered another setback in its effort to gain a stock market listing. As a result of a disagreement with its financial adviser, Hill Samuel, the company will not now come to the market this month.

Neither the company, nor Hill Samuel were prepared to give any reasons as to why they parted company but it is believed that it concerned the treatment of possible future tax liabilities.

United Leasing has now appointed Barclays Merchant Bank in place of Hill Samuel, and chairman Mr Parry Mitchell says "our auditors, Arthur Anderson, and all other financial advisors are rock solid behind us."

Mr Trevor Swete of Hill Samuel was advising United Leasing until last month, when he was deputed to advise UDS in its defence against the bid from the Bassishaw consortium. Mr Christopher Roshier of Hill Samuel then took the place of Mr Swete. Said Mr Mitchell "horses were switched on us."

Hill Samuel had been advising Uited Leasing for about 10 months, and United Leasing has spent about £600,000 on financial advisors in its effort to reach a stock market full quote.

Mr Mitchell said yesterday "If I'd know a year ago what was involved in the exercise, I would never have done it. We have bitter regrets about what has happened but we bear no animosity towards Hill Samuel. The last week has been amazingly tense; the pulling of the issue has been very much a last minute affair. We hope to come to the market in May or June. The intention is still a full listing, but I am not ruling out the USM."

Philips and Drew will continue as brokers to the company.

Adams & Gibbon shares in Vauxhall success

A GOOD second half, with profits up from £91,000 to £200,000, has enabled Vauxhall motor dealer Adams and Gibbon to record a total of £336,000 for the full year ended November 30 1982. This compares with £227,000.

If trading margins in the current year can be held at the improved rate, the group should have an opportunity to make further progress towards its pre-recession levels of profitability. But the directors stress that prospects must be viewed against interest rates and the continuing high unemployment in the North of England, where the company operates.

They are optimistic that the improvement in profitability shown in the second half of 1982 can be sustained and built upon, as the efficiency of certain branches and activities continues to be improved.

Group turnover for 1981-82 advanced by £4.2m to £26.85m. The profit was struck after interest of £326,000 (£339,000). Tax takes £19,000 (credit £8,000) to leave the net profit at £317,000 (£235,000). The dividend is raised from 4.125p to 4.625p net, with a final of 3.375p.

The Vauxhall Opel new car franchise had a most successful year, and this assisted the directors' efforts to increase operational efficiency. However, trading margins came under extreme pressure as more of the demand tended to come from the fleet sector of the market where margins are inevitably reduced.

Bedford commercial vehicle sales activities recorded some improvement over the two previous years, and this sector appears to be showing the first signs of beginning to emerge from the worst of the recession.

Trading to date in 1983 shows a considerable increase in volume in new and used cars and light commercial vehicles.

Drayton Premier

Revenue at Drayton Premier Investment Trust was unchanged at £3.54m for 1982. This was after all charges, including tax of £2.24m against £2.37m. The final dividend is raised from 7.71p to 8p net for an increased total of 11p compared with 10.71p.

Net asset value per 25p ordinary share rose from 304.75p to 334.25p.

Metal Bulletin shows progress

An increase from £914,600 to £958,200 in pre-tax profits is reported by Metal Bulletin for 1982. Turnover of this publisher of twice-weekly and monthly journals and handbooks, rose from £4.04m to £4.67m.

The final dividend is raised from 3.5p to 3.8p net for an increased total of 6p against 5.5p. Stated earnings per 10p—its shares are dealt on the Unlisted Securities Market—improved from 9.91p to 10.57p.

The directors say that worldwide trading conditions prevailing for virtually all the industries served by the group, deteriorated further, particularly during the final quarter.

They say 1983 is likely to be a difficult year, but every effort is being made to maintain profitability.

Scottish United

Net revenue earned for ordinary shareholders of Scottish United Investors improved from £2.64m to £2.85m in 1982. This represents earnings per 25p share of 1.71p against 1.59p. The final dividend is raised from 1.02p to 1.07p net for an increased total of 1.7p compared with 1.6p.

Massive response for Superdrug

The offer for sale of 8.8m shares in Superdrug Stores has been oversubscribed by over 94 times. Baring Brothers announced yesterday that approximately 240,000 applications for a total of 840m shares were received.

Preferential applications from employees of Superdrug have been allocated in full. Applications from the public will be allocated on the following basis:

200 shares: weighted ballot for 200 shares: 400-800 shares: weighted ballot for 300 shares; 1,000-4,500 shares: weighted ballot for 400 shares; 5,000-9,500 shares: weighted ballot for 500 shares; 10,000-24,000 shares: weighted ballot for 600 shares; 25,000-70,000 shares: weighted ballot for 700 shares; 75,000 shares and above: 1 per cent of the amount applied for, subject to a maximum allocation of 70,000 shares.

It is expected that letters of acceptance will be posted on Tuesday February 22 for dealings to commence on the following day. Letters of regret in respect of unsuccessful applications will also be posted on Tuesday.

John Lewis Partnership sales rise

Despite snow and icy winds, John Lewis Partnership department stores last week recorded sales of more than £8.5m, an increase of 14.7 per cent on the corresponding week last year.

Waitrose, the Partnership's food group, had a "spendid week's trade," resulting in sales of £8.5m, up 17.7 per cent on the corresponding week in 1982.

Total sales for the week, at more than £17m, were up 16.1 per cent on the similar week last year, and for the two weeks to February 12 they were ahead by 16 per cent.

Bassishaw unlikely to raise offer

Mr Cyril Spencer, one of the members of the Bassishaw Investments consortium, said yesterday that he felt it would be unlikely that the consortium would increase its 114p cash offer for UDS.

Bassishaw's recently increased terms never came to vote before the UDS board since the bid was topped so swiftly by the £230m all equity offer for UDS from Hanson Trust. Conscious that Hanson was preparing a dawn raid on the UDS shares, timed for Thursday morning, the UDS board swiftly accepted the newcomers' 120p per share bid on Wednesday evening.

Faced with this acceptance and Hanson's aggressive market buying yesterday to bring a 4.06 per cent UDS holding under its direct control, Mr Spencer said that "our hope is that people will see that Hanson's share price is volatile and the value of the bid will vary accordingly."

He expects to meet Mr Gerald Ronson, chairman of the privately owned Heron Corporation and instigator of the consortium, on the latter's return from the U.S. this afternoon to discuss the options.

UDS confirmed yesterday that, with the consent of Hanson, it had sold about £20m of its investment property portfolio but the terms of the principal prospective disposal are still under discussion.

Burton Group is still poised to buy UDS' Richard Shops and John Collier chains, but it is expected that Hanson will now deal only on the basis of cash thus eliminating the equity alternative which Burton was proposing to offer UDS shareholders.

If all goes according to plan, the Hanson Trust offer document will be despatched late next week, accompanied by a covering letter from UDS to its own shareholders, by which time an agreement should have been reached between Burton and Hanson.

As Burton sees it, Hanson will probably agree the deal as it stands or ask for some small upward revision in price. Less likely, is a request for terms which Burton would be unwilling to meet or a determination by Hanson to maintain and run the multiple chains itself.

Burton has estimated that, in addition to the £78m consideration agreed with UDS, it will require £40m of capital spending to upgrade the John Collier and Richard Shops businesses, spread over some time, and a working capital injection of some £10m. Major items will include stock write-offs and cancellation of stock commitments and the introduction of Burton's own computerised stock call-off systems.

PROWTING TAKES 7% OF CROUCH

Prowting Holdings, the private house-building concern announced yesterday that it has taken a 7.1 per cent stake in Crouch Group, the publicly-quoted property development and construction company.

Mr Tony Longman, marketing director of Crouch, said he had been assured by Mr Peter Prowting, the chairman, that the stake had been bought purely for investment purposes. "Nobody can be sure but I take their word," he added.

Crouch's shares rose 4p yesterday to 122p putting a market value of £4.88m on the company.

Prowting and a wholly-owned subsidiary, which previously apparently held no shares in Crouch, bought shares in two chunks of 185,000 and 100,000 shares over the past days.

Crouch said it did not believe that Mr Ronald Clempson, the former chairman who was ousted from the board in January, was involved in the transaction. The company does not know, however, where the shares bought by Prowting came from.

Other major shareholders are the Crouch family with about 13 per cent and "very near friends" of the family with 9 per cent.

St Piran stake in Westminster Property

BY DAVID DODWELL

Saint Piran, the mining and house building group which is now part of Mr Jim Raper's master company, Gasco Investments of Hong Kong, has bought a 23.61 per cent stake in the Westminster Property Group for £2.35m.

Mr Raper said yesterday that he had purchased 6.55m Westminster shares from Twentieth Century Banking at a price of 35½p per share.

On Monday, a tender offer will be made for a further 1.77m shares, also at a price of 35½p. This would lift his stake to 29.99 per cent, and result in a total acquisition cost of about £3m. Westminster shares closed on Friday at 32p, up 2p on the day.

Twentieth Century Banking was pledged its 23.61 per cent stake in Westminster by Graylaw Holdings, the Essex garage group privately owned by Mr Victor Gray. Graylaw went into liquidation a month ago.

Mr Raper said: "A 29.9 per cent holding will be enough for us to get to know the company. We have no plans to go any further at the moment, though a bid might be considered in due course."

He said St Piran was actively seeking a further property group acquisition, perhaps in the Oxford area.

St Piran has chosen to expand into the property area because of its 86 per cent stake in Milbury, a house building group operating in the Manchester and Bournemouth areas.

Westminster, which has interests both in the UK and in Portugal, released its annual report yesterday. Pre-tax profits for the year to September 30 1982 were £248,662, compared with £431,206 a year earlier. Turnover fell to £1.29m from £1.3m during the same period.

The Westminster purchase will be made in cash from company funds. St Piran is cash-rich, Mr Raper said, after sales over the past year amounting to about £13.5m.

In August last year it sold its stake in South Crofty, the Cornish mining company, to Charter Consolidated, for £8.5m. The sale of subsidiary mining operations in Thailand and Malaysia raised a further £5m.

St Piran shares an obscure link with Westminster through its parent company, Gasco Investments of Hong Kong. This company is locked in litigation with the Isle of Man-based Savings and Investment Bank, which collapsed in July last year.

It was the collapse of Savings and Investment Bank which led to the collapse a month ago of Graylaw. This in due course led to Twentieth Century Bank deciding to sell the Graylaw stake in Westminster which it held as security. Mr Gray remains a director of Westminster.

BATs completes Mainstop disposals in £4.6m deal

Allied Suppliers, part of Mr James Gulliver's Argyll Foods group is to buy the last five of BAT Stores' Mainstop stores for £4.6m cash.

Allied will acquire stores in Darlington, Redruth, Aldershot, Folkestone and Stratford, London with combined annual turnover of £35m and total sales area of 186,000 square feet.

Completion is due to take place on March 5. In addition, Allied will acquire the trading stock of the stores at an agreed value which will not exceed £3.02m.

Allied plans to add these stores to its Presto Food Markets chain, which will then have a total of 136 outlets and annual sales of £550m.

This acquisition is in line with Argyll's stated intention of adding 20 new Presto stores a year, it said.

It completes BAT Stores' programme of selling off its Mainstop outlets after failing to achieve its target of 35 stores, and it brings total sales to about £23m. BAT Stores, part of BAT Industries, last week announced it had sold five stores to the Co-operative Wholesale Society for £14.1m.

It earlier sold three stores to William Morrison, the Bradford supermarket group, for £3.9m, and another store to Hillards of Bolton. Other stores have been integrated into BAT's International Stores chain.

Starwest buys majority of Pullman offshoot

Starwest Investment Holdings, the engineering and housebuilding group privately owned by Mr Remo Dipre, has bought the majority of R. & J. Pullman (Retail) from the receiver for an undisclosed sum.

The newly acquired company, which will be renamed Skincraft International, specialises in furs, suedes, leathers and sheepskins. It has 35 retail outlets spread throughout the UK.

R. & J. Pullman (Retail) was a wholly-owned subsidiary of R. & J. Pullman and accounted for about 20 per cent of the group5s £24m turnover in 1981. The group was put into the receiver's hands at the company's request, in December last year.

In the 12 months to the end of April last year, the group made a pre-tax profit of £1.6m on a turnover of £24m. At the time of receivership, it had bank borrowings of about £10m.

Mr Arnold Galler, who was head of R. & J. Pullman (Retail) before receivership, will continue as head of Skincraft. He said yesterday his company was, and remains profitable.

Mr Dipre was not available for comment. In 1981, his group bought Pyramid Publishers for £1.2m, and Hawthorn Leslie, the north of England electrical and engineering group for almost £4m.

AMERSHAM BUYS PROCHEM

Amersham International has reached agreement with British Oxygen Company, a wholly owned subsidiary of BOC Group, to purchase its stable isotope business, Prochem, from BOC Special Gases.

The agreement is subject to contract. Though the initial sales contribution will be modest, this acquisition will enable Amersham to add a range of stable isotopically-labelled compounds to its business in radioactive carbon compounds.

The principal use of these materials is in research applications in the life sciences.

HUNTLEY/NABISCO

Nabisco Brands' offer for Huntley and Palmer's 5.4 per cent second preference shares has been accepted in respect of 247,900 shares (90.1 per cent). The offer remains open for acceptance until further notice.

Results due next week

WITH the chemical industry in the doldrums, the only question hanging over ICI's results, due on Thursday, is how much currency gains will soften the pain of a fall in profits from last year's £335m. For 1982, though, these may be no more than a placebo. If ICI continues with its traditional accounting practices, most of its exchange rate gains on export debtors will not be brought into the accounts until the first quarter of the current year. In this case, the market expects profits to be around the £290-£295m mark. The only saving grace will have been the pharmaceuticals side, which should be increasing its profit contribution. Elsewhere, demand has been very flat, and wi th a worldwide oversupply of many of the company's products, prices have hardly risen at all over the year. The outlook for 1983 looks marginally better, as cost benefits come through and prices have more chance to firm up. Meanwhile, the final dividend for 1982 will almost certainly be maintained, with the possibility of a nominal increase to soften the blow of poor results.

Commercial Union, which reports on Tuesday, is as usual, the first of the insurance composites to disclose its results. This time it may well regard this pole position with misgivings, since the word insurance markets are having a very rough time and CU's results will highlight much that is wrong with the market. The U.S. market goes further into decline with the long-awaited forecast turnaround receding into the future. The UK market last year showed a sharp reversal from acceptable profits to massive losses that could not be attributed solely to the severe weather a year ago. The European market is as poor as ever. Only Canada and Australia, until the recent fires, present a slightly less gloomy picture. While these features will affect all composites, the market expect CU to be hit the hardest, with underwriting losses nearly doubling from £132m to around £240m. Falling interest rates should not have significantly hit investment income, which ought to show a growth of a fifth from £192m to £235m. Even so, this will leave pre-tax profits cut by more than a half from £89.5m to less than £40m. Earnings per share could fall from 16.5p to 5.5p, but CU should maintain its dividend at 11.8p despite the lack of cover.

Shares in Plessey have suffered in the general setback in the electronics / telecommunications sector over the past few months, but this has not dimmed the favourable view of the City's analysts. The first six months of the fiscal year brought a 30 per cent gain in profits, and the market would be disappointed if the year-end showed less than a 25 per cent gain on last year's £111m pre-tax. Consequently, the third quarter statement, due on Thursday, should show profits of £37m-£40m pre-tax. The City will look very hard for any information regarding the outlook in North America, an area where Plessey has strong prospects via its purchase of Stromberg-Carlson, and its investment in Scientific-Atlanta. But, with both the UK and the U.S. telecommunications markets poised for restructuring, and UK defence markets buoyant, analysts expect a favourable report from Plessey.

There is little doubt that Johnson Matthey, like others in the metals trading business, saw a sharp upturn in profits in the second half of last year, partially offsetting a weak first half. The results for the third quarter, due on Wednesday, will be scanned eagerly for indications of the outlook for the year-end. A minimum of £13.2m pre-tax for the third quarter is expected by the market, with the optimists hoping for £13.5m. This would put the group on line for pre-tax profits of £45m-£47m for the full year against £49.61m in the previous year. Particularly encouraging would be any sign of an upturn in the U.S., where Johnson Matthey has stepped up its interests in chemicals and refining, and also in jewellery.

Other results due next week include full year figures from Marchwiel on Monday, and those of Vantona on Tuesday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Aidcom International	Monday	—	0.3	—
Anglo International Investment Trust	Tuesday	2.0	3.2	2.5
Aquis Securities	Tuesday	0.3	0.9†	0.4
Bath and Portland Group	Tuesday	2.0	2.5	2.5
Baynes (Charles)	Monday	0.25	0.5	0.25
Braime (T. F. and J. H.) Holdings	Tuesday	1.5	2.0	1.5
Cardinal Investment Trust	Thursday	1.1	2.2	1.3
Child Health Research Investment Trust	Tuesday	—	—	—
Commercial Union Assurance	Tuesday	4.85	6.95	4.85
English and Scottish Investors	Monday	0.75	1.05	0.75
First Scottish American Trust	Wednesday	1.3	3.55	1.4
Foreign and Colonial Investment Trust	Wednesday	0.625	1.41	0.75
Imperial Chemical Industries	Thursday	9.0	10.0	9.0
Investing in Success Equities	Tuesday	1.2	3.84	1.2
Jones (Ernest) Jewellers	Tuesday	1.4	2.5	1.4
Lovell (G. F.)	Thursday	—	4.0	—
Marchwiel	Monday	2.4	4.2	2.7
Marley	Wednesday	1.0	1.25	1.0
New Darian Oil Trust	Thursday	—	1.0†	—
Olives Paper Mill	Friday	—	0.2	—
Romney Trust	Friday	1.3	3.1	1.3
St Andrew Trust	Thursday	2.5	4.0	2.5
Scottish Eastern Investment Trust	Monday	1.5	1.85	1.5
Vantona Group	Tuesday	3.0	5.0	3.0
INTERIM DIVIDENDS				
BPM Holdings	Friday	1.58125	4.19375	
Common Brothers	Tuesday	1.0	—	
Eleco Holdings	Wednesday	1.0	2.5	
Wood (S. W.) Group	Friday	—		
INTERIM FIGURES				
Electronic Machine	Friday			
Johnson Matthey	Wednesday‡			
Neepsend	Friday			
Plessey	Thursday‡			
Ramar Textiles	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † Includes a special dividend of 0.2p. ‡ Third quarter figures. ¶ Includes a non-recurring dividend of 0.85p.

MINING NEWS

Rebirth of an Australian goldfield?

BY KENNETH MARSTON, MINING EDITOR

THE RE-EMERGENCE of Western Australia's Eastern goldfields as a major producer of gold was forecast in London yesterday by Mr Bill Galbraith, chairman of Carr Boyd Minerals and the associated Hill Minerals. It could be capable of doubling Australia's present total annual gold production of some 515,000 ounces, he thought.

He said that a belt running for 700 kilometres from Wiluna in the north to Norseman in the south had been shown to contain about 10 separate mineral deposits which in all could hold an inferred 42m tonnes of mineralisation with an average gold grade of about 3½ grammes per tonne.

Importantly, the finds were mostly shallow and thus mineable by the relatively cheap open-pit methods. In the next three to five years, he thought, another nine deposits would be found in "this elephant country."

The main reason why the deposits had remained undiscovered—despite the long-established mines on the famous Golden Mile at Kalgoorlie and the now exhausted Sons of Gwalia property near Leonora—was that they were hidden from the old prospectors by an overburden of soil and weathered rock.

Galbraith said that credit for discovering the new potential of the area goes to the junior exploration companies—including his own — who persevered with exploration work in 1980-81 while the majors, with the exception of Broken Hill Proprietary remained aloof.

As already reported, good gold values over large widths (thicknesses) of ore have been found in drilling at the Harbour Lights prospect, near Leonora, of Carr Boyd (40 per cent), Esso Exploration (55 per cent) and Aztec Exploration (5 per cent). The deposit is still open at both ends and at depth.

While feasibility studies have yet to be completed, Galbraith estimates that an open-cut mining operation could be taken to production in about two years' time at a total cost of somewhere in the region of A$40m (£25m).

He is guarded about likely working costs. But on the basis of current gold prices and allowing for depreciation, he feels that the operation would break even on the basis of an ore grade of only 2 grammes whereas indications are of an average grade of 4 grammes-plus at the deposit.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Hanson Trust entered the battle for control of **UDS** with an agreed share-exchange offer worth £230m. This tops last Thursday's revised rival bid from **Bassishaw Investments**, headed by Mr Gerald Ronson, by some £13m. Hanson is offering five of its own shares for every eight UDS, valuing the latter at 120p per share, against Bassishaw's 114p per share cash offer. UDS's earlier agreed £78m sale to **Burton** of the Richard Shops and John Collier chains is now the subject of discussions between Mr James Hanson, the chairman of Hanson Trust, and his opposite number at Burton, Mr Ralph Halpern.

C. H. Beazer, the West Country building group, made a shares and cash bid for **Second City Properties** valuing the latter at £15.8m. Beazer picked up a 7.2 per cent stake in Second City on Monday and now owns 7.42 per cent of Second City. Beazer is offering one of its own shares plus 85p cash for every five Second City shares; the offer comes less than three weeks after Beazer's revised bid for R. Green Properties was successfully topped by Throgmorton Trust.

In a move to introduce an element of gearing into the company, **Kelsey Industries** is to buy up part of its own equity capital by means of a tender offer to shareholders. The scheme enables the company to buy back up to 20 per cent of the ordinary shares at between 150p and 240p per share. The purchase of the entire holding could cost up to £1.8m, and Kelsey feels that in view of the current trend in interest rates it would be appropriate to introduce an element of borrowing to finance the scheme. At present, the company has zero borrowings and £10.5m of shareholders' funds.

Kwik-Fit (Tyres and Exhausts) made an agreed share exchange offer for **Crest International Securities**. The offer is on the basis of three Kwik-Fit shares for every 10 Crest and values the latter at about £5.6m.

P. C. Henderson, the industrial and residential door manufacturer, paid £3.7m for **Continental Instruments** of the U.S., a privately-owned manufacturer of industrial and commercial security systems.

Habitat Mothercare made an agreed offer for **Heal and Sons**. The offer is £38 cash for each Heal ordinary share, valuing the loss-making quality furniture group at just over £4.8m. The bid has already been accepted by shareholders representing 54.3 per cent of Heal's issued shares.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	640§	575	420	18.40	Blue Circle
Anglo Met	90●	85	80	5.31	Atlantic Met
Austin (E.)	60*	62	50	2.54	Caparo Inds
Crest Int	14	12½	13	4.95	Kwik-Fit
Edin & Gen Ins	21	20	13	4.57	Mills & Allen Intl
Green (R.)	135*	130	115	16.47	Throgmorton Tst
Heal	£38*	£38	£16	4.80	Habitat Mthrcare
Highams	75*	75	63	4.55	Largs
Jeavons Eng	69§	72	62	3.86	Newman-Tonks
Rowan & Boden¶§	60*	59	40	2.42	Firth (G. M.)
Second City Prop	66½§ §§	69	60	15.66	Beazer (C. H.)
Sumrie	65*‡	72	70	0.95	Afcor Invs
Sykes (Henry)	37*	36	25	3.16	Alco Standard
UDS	114*	115	89	217.4	Bassishaw Invs
UDS	120	115	110	228.8	Hanson Trust

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on February 18 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock.

Offers for sale, placings and introductions

HB Electronic Components has joined the Unlisted Securities Market via a placing of 680,000 ordinary 10p shares at 38p per share.
International Income Property intends to make an underwritten offer of 2m shares and then apply for a London listing.
Little Aston Hospital will offer 650,000 shares prior to joining the USM.
Superdrug Stores—Offer for sale of 8.8m shares at 175p each.
Tandata Holdings has raised £2m through a private placing.
Television Services International is coming to the USM by way of a placing of 6m shares at 10p per share.
United Packaging is joining the USM via a placing of 495,768 ordinary shares at 72p per share.
United Trust and Credit has raised £450,000 through a private placing.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alexanders Hldgs	Sept	154	(152)	0.5	(0.5)	—	(—)
Arden & Cobden	Dec	78	(35)	8.3	(14.4)	5.5	(5.5)
Birmid Qualcast	Oct	1,440L	(1,640)	—	(1.5)	1.0	(1.5)
Drake & Scull	Oct	4,100	(3,600)	10.3	(10.4)	3.25	(3.0)
Goode Durrant	Oct	2,770	(2,300)	7.6	(6.1)	1.0	(0.88)
Hadland Hldgs	Oct	—¶	(159)	—	(0.4)	2.52	(2.52)
Hoover	Dec	6,790L	(30,970)L	—	(—)	—	(—)
Hunterprint Grp	Oct	1,370	(962)	12.5	(10.9)	2.0	(—)
Indepndnt News	*Dec*	*2,540‡*	*(2,150)‡*	*17.7*	*(11.6)*	*11.0*	*(11.0)*
Macpherson (D.)	Oct	1,350	(2,870)	3.0	(7.5)	4.2	(4.2)
Manchester Ship	Dec	963L	(2,430)L	—	(—)	3.5	(—)
Newbold & Burtn	Dec	118	(420)	1.6	(6.6)	3.78	(3.78)
Notts Manfactrng	Dec	21,290	(19,000)	21.1	(18.8)	5.1	(4.5)
Ozalid Group	Nov	2,460	(4,960)L	—	(—)	—	(—)
Parker (Fred)	Sept	3,020	(3,100)	16.0	(19.7)	5.0	(4.5)
Plastic Constrts	Sept	91	(183)	3.4	(4.1)	2.17	(2.1)
Tace	Sept	413	(385)L	2.8	(—)	—	(—)
Wagon Finance	Dec	1,068	(860)	1.9	(1.8)	2.31	(2.31)
Whittnghm (Wm)	Oct	618	(2,960)	6.4	(40.5)	5.0	(7.0)
Widney	Sept	320L	(417)L	—	(—)	—	(—)
Yeates (W. S.)	Oct	1,520	(927)	64.6	(38.2)	11.95	(10.16)
York Green Invs	Oct	169	(177)†	2.4	(2.0)	0.53	(0.66)†

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Ariel Industries	Sept	46L	(48)L	—	(0.54)
Bevan (D. F.)	Sept	144L	(35)L	—	(0.25)
Dalgety	Dec	18,100	(19,600)	11.0	(11.0)
Deborah Services	Sept	60L	(261)	1.21	(1.21)
Douglas (Robt M.)	Sept	96L	(919)	0.88	(0.75)
Epicure Hldgs	Dec	703	(540)	0.78	(0.63)
Equipu	Oct	201	(250)	1.2	(1.1)
Ewart New Nthrn	Oct	22	(15)	1.0	(1.0)
Fashion & Gen	Sept	196	(218)	5.0	(6.5)
Gripperrods	Oct	370	(325)	1.4	(1.4)
Guildhall Prop	Dec	555	(536)	0.75	(0.75)
Hampson Inds	Sept	196	(169)	0.25	(0.25)
Harvey & Thmpsn	Jan	32	(101)L	—	(—)
Heelamat Hldgs	Oct	75	(161)	2.0	(2.0)
Intereurope	*Dec*	*393*	*(307)*	*1.4*	*(—)*
Kwahu	Dec	46	(34)	—	(—)
Mining Supplies	Oct	952L	(677)L	—	(—)
Press Tools	Oct	128	(70)	0.8	(0.8)
Reliance Knitwear	Oct	203	(110)	0.85	(0.77)
Stonehill Hldgs	Nov	206L	(163)	—	(2.0)
Watshams	Sept	537	(401)	3.75	(3.75)
Webb (Joseph)	Sept	95	(240)	0.13	(0.13)
Wrthngtn (A. J.)	Sept	139L	(7)L	—	(0.38)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net except where otherwise stated.
† Previous 18 months. ‡ In I£. ¶ £518. L Loss.

Rights Issues

Geers Gross is raising £4.28m by way of a rights issue on the basis of one for four at 163p.
Magnet and Southerns is raising £27.83m by way of a one for eight rights issue at 140p per share.
Valor is making a one for four rights issue at 81p to raise £2.7m.

Authorised Units—continued

Equity & Law Un. Tst. Mngrs. (a)(b)(c)
Amersham Rd. High Wycombe. 0494 33377
Euro Tst Ac. 49.1 52.7 −1.1 1.41

Lawson Fund Managers Ltd(a)(c)(g)
43 Charlotte Sq., Edinbgh. 2. 031-225 6001
Aust & Pac* 8.30 9.30 ... 1.00
High Yield† 19.8 20.8xd ... 11.10

Do Accum* 20.1 21.1 ... 11.1
*Dealing Thurs. †Dealing Fri.

The Money Market Trust
53 On Victoria St. EC4N 4ST. 01-236 0952
Call Fund 11.18 ... —
7 Day Fund† 10.84 ... —
†Unauthorised—Sterling Deposit Fund.

Insurances—continued

[illegible]

Offshore and Overseas—continued

[illegible]

LONDON TRADED OPTIONS

Option		CALLS April	July	Oct.	PUTS April	July	Oct.
BP (USP 322)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CGF (USP 557)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CTD (USP 87)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CUA (USP 135)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GEC (USP 209)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GMH (USP 561)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ICI (USP 384)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LS (USP 308)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M & S (USP 199)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SHL (USP 444)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		CALLS May	Aug.	Nov.	PUTS May	Aug.	Nov.
BBL (USP 460)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IMP (USP 121)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LMO (USP 277)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LNR (USP 90)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P & O (USP 153)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RCL (USP 463)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ (USP 524)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VRP (USP 8129)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Feb. 18 Total Contracts 1,574. Calls 1,093. Puts 581

CONTRACTS

Matthew Hall wins £21m in Australia

MATTHEW HALL MECHANICAL SERVICES (PTY), an Australian subsidiary of the Matthew Hall Group, has been awarded two major contracts, one of which is the largest single service order received by the company. This is for fire engineering services for the Electricity Commission of New South Wales at the Bayswater power station in the Hunter Valley, north west of Sydney, and the Mount Piper power station to be constructed on the Western coal fields in the Portland area. The contract, worth about A$20m (£12.6m) will include wet sprinkler systems, high velocity deluge systems, foam installations, fire and gas detection and a microprocessor supervisory system. The second order worth A$14m (£8.8m) is for building engineering services in a five star, 400-bedroom hotel to be constructed in Perth, Western Australia, for the Merlin Group. The 2.8 hectare site will also include low rise office and commercial buildings and underground parking facilities for 1,000 vehicles. A 40-storey office tower and a 35-floor apartment block is also planned. Matthew Hall will provide the air conditioning, plumbing, heating, electrical and fire engineering services.

★

First phase of a development programme at St. Paul's Girls' School will be carried out by City builders **ASHBY AND HORNER**, at a cost of £1.04m, due to be completed in April 1984. A three-storey theatre block, with a floor area of 1600 sq metres is being built within the school grounds adjacent to the existing school in Brook Green, Hammersith. It will comprise 11 classrooms, bursar's offices, a computer workshop with 13 micro-processors, and a theatre with offices. The theatre will be known as the Celia Johnson Theatre in tribute to a much admired Paulina. Phase two of the development will create an engineering workshop, to be named after Rosalind Franklin, another distinguished Paulina who contributed to the discovery of DNA. The workshop, of about 200 sq metres, will be equipped with machine and hand tools.

OLDWAY, part of Welsh property organisation the Oldway Group, is to build 46,000 sq ft scenery workshops, stores and warehouse for the Welsh National Opera Company sited on the former Tyndall Fields marshalling yards of British Rail at Tyndall Street, Cardiff, part of the docks development area. The contract is worth £1m, with completion scheduled for August.

TILBURY GROUP has £3m orders, including a £1.28m contract from the Borough of Broxbourne for a swimming pool complex in Grundy Park, Cheshunt. This is being handled by Tilbury Construction, which is also undertaking £0.9m sea defences at Leigh Old Town, Southend-on-Sea, for the Anglian Water Authority. In London, the Borough of Haringey and Newham have each placed orders in the region of £170,000 for road construction. Other contracts include refurbishments of hangars for the RAF, and remedial and site works for the Thames Water Authority. Elsewhere, Tilbury Roadstone is to begin two surfacing contracts for Suffolk County Council, with a combined value of about £406,000.

★

A contract worth over £1m has been awarded by Occidental Petroleum (Caledonia) to **OFFSHORE PLATFORM MAINTENANCE**, a subsidiary of the John Wood Group in Aberdeen. The 12-month contract, which began this month, is for general maintenance services on Occidental's North Sea platforms Claymore "A" and Piper "A".

★

An order worth over £500,000 for four uninterruptable power supply systems has been awarded by the Central Electricity Generating Board to **WOOD GROUP INDUSTRIAL CONTROLS**, Aberdeen. The systems, which will be delivered in four phases, are for Cottam power station in Lincolnshire.

★

MASTER SYSTEMS, Camberley, is to supply the GLC with a XIBUS integrated office system network costing £633,000, forming phase one of a major business communications system valued at around £6m. Starting in March some 80 work stations, linked to a series of computers, will be installed in County Hall, complementing the GLC's existing computer facilities, but also able to work independently.

★

MOUNTAIN RANGE, specialised fire and emergency vehicle manufacturer, Crewe, has secured a contract worth over £500,000, from the Sultanate of Oman, for 13 vehicles based on Bedford chassis comprising 10 water/foam tenders and three emergency tenders for the Royal Oman Police.

£10m cleaning orders for Pritchard

PRITCHARD SERVICES GROUP has landed three terminal cleaning contracts with a combined value of nearly £7m. They are at Charles de Gaulle Airport, Dover Hoverport and Manchester International Airport. It has also won a refuse collection contract worth £3.2m. At Charles de Gaulle's futuristic terminal one, Pritchard's French subsidiary, Groupe Services Industrie SA, has been awarded a three-year contract worth £5m to clean over 1m square metres round the clock. In the UK, the contracts will be run by Acme Services. At Dover the contract includes cleaning the passenger terminal, as well as the offices, maintenance areas and six hovercraft. At Manchester International Airport, with a throughput of some 5m passengers annually, the company has won a three-year contract for office and terminal cleaning, starting on April 1. South Oxfordshire District Council, the latest local authority to contract-out its refuse collection service, has awarded a five-year £3.2m contract for the work to Pritchard.

£11m GEC gas turbines for India

An order worth $17m (£11m) for the supply of three gas turbine generating sets to the Oil and Natural Gas Commission of India has been received by **GEC GAS TURBINES** of Leicester, England. The order was placed by the Korean main contractor and platform builder, Hyundai Heavy Industries Company. The units will power the Water Injection North platform to assist oil recovery. Capable of running on oil or gas fuel, the turbines will normally run on natural gas with liquid fuel as standby.

★

TELEPHONE RENTALS has won a contract extending over 10 years to provide Kodak with a new UK communications network. It is understood to be worth over £500,000 a year, the largest single rental contract ever obtained by the group. It covers design, supply, installation and maintenance of a private all-digital network which links 13 Kodak sites stretching from London to Scotland, and is claimed to give Telephone Rentals two "firsts."

It is the first contract to be awarded to a private company against the timetable laid down in the British Telecommunications Act 1981 which allows private companies with the required technical competence and nationwide servicing capability to provide digital PABX systems on a rental-with-maintenance basis from July 1983. It is also the first to adopt a new British communications development in digital PABX systems which Telephone Rentals calls the TR Telematic DX. This will provide Kodak with some 5,000 telephone extensions. Installation of the first stage is planned for August with completion during 1984. The network permits direct voice and data communication between any of Kodak's sites, and full access to the public telephone network.

★

Further sales of the **MARCONI** B6038 one kilowatt medium-frequency sound broadcasting transmitter are worth about £300,000. Latest customer is Radiotelevisione Italiana, which has just placed an order for 24 with Marconi Communications Systems of Chelmsford. These transmitters will be supplied as 12 parallel pairs to meet RAI's requirement for two kilowatts of output power and will be used as replacements for gap filling stations in the Italian national network.

★

ICL has won an order from Midlands printers Kenrick and Jefferson. The order, for a laser printer and ME29 computer, is worth £500,000. The laser printing equipment will increase the capacity of the company's personalised systems bureau division which deals with the printing of personalised cheques, finance and hire purchase repayment forms, and monthly paid accounts. It is for immediate delivery and the ME29 will be installed in May.

UAE places telecom order

Luton-based Norton Telecommunications associate company **NORTON MIDDLE EAST**, jointly with **ITALTEL SIT** of Milan, has won a $10.5m (£6.85m) contract from the United Arab Emirates for the supply of 34Mbit digital microwave systems which will be used to increase subscriber telecommunications capability throughout the region. Italtel will provide digital and analogue microwave equipment, while NME will supply and instal microwave towers and standby power, and will also be jointly responsible for the management of the project. The network will link several towns, including the oil-producing off-shore islands in the Abu Dhabi Emirates, and will also feature an analogue international link to Saudi Arabia. The entire network is scheduled to be in operation in early 1984.

★

GEE, WALKER AND SLATER, part of the Wiggins group, is to build a £3m leisure centre at Penarth for the Vale of Glamorgan Borough Council, with a completion date in 1984. The facilities will include a swimming pool with walk-in beach type access, squash courts, multi-purpose sports hall, gymnasium, cafeteria and administrative offices.

APPOINTMENTS

Grandmet makes changes

Mr Roger Hewitt who was appointed to the board of GRANDMET INTERNATIONAL SERVICES (GIS) as technical Services director on October 1 has relinquished his position as managing director of the GIS subsidiaries, Grandmet Waste Services (GWS) and Powell Duffryn Pollution Control (PDPC). He will remain on the boards of GWS and PDPC as the executive director responsible for their activities to GIS. In addition Mr Hewitt has become managing director of Grandmet Technical Services (GTS) and is also the executive director responsible for that activity to GIS. *Mr Barry Trowbridge has* been appointed to the boards of Grandmet Waste Services/Powell Duffryn Pollution Control as managing director. He joins from Balfour Beatty, latterly as divisional director of CTMS and director and general manager of CTMS (Middle East) and CTMS (United Arab Emirates).

★

Mr Menno J. Lambeek has been appointed operations director of PYE TELECOMMUNICATIONS. The company's first Dutch director, he was previously technical director of Philips in Singapore. He has worked for Philips' companies in Holland, South Africa and Brazil.

★

SKETCHLEY, industrial workwear rental and dry cleaning group, has appointed Mr Richard J. Newton as deputy chairman. The chairman, Mr Gerald Wightman, is absent due to a prolonged illness and Mr Newton, a non-executive director for the past five years, who has been acting as chairman, will continue to do so.

Top posts at Burton Group

Mr L. Cooklin and Mr P. G. Plant have been appointed joint deputy managing directors of the BURTON GROUP. Mr Cooklin and Mr Plant are both directors of the group and members of the executive management board. They have been with the group for about 14 years. Mr Cooklin is responsible for buying, merchandising and manufacturing and Mr Plant is responsible for retail operations, property and shop development.

★

SEABOARD INTERNATIONAL (TIMBER AND PLYWOOD) has appointed Mr D. Littlejohn and Mr A. S. Muskat as directors.

★

Mr Usama R. Mikdashi, vice president, has been appointed to head CITIBANK'S credit policy supervision for Europe, Middle East and Africa. Mr Mikdashi, who was formerly senior credit officer for the Middle East and Africa division, stationed in Athens, will be based in London. He joined the Bank in his home country, Lebanon, in 1962. He succeeds Mr Harold Weaver, senior vice president, who has returned to New York to take charge of credit policy supervision for the Caribbean Central and South American Banking Group.

★

The Environment Secretary has appointed Mr Geoffrey J. Ellerton, to be chairman of the LOCAL GOVERNMENT BOUNDARY COMMISSION for England, from March 1. He is a director of Globe Investment Trust and has been chairman of Globe Management, the management company of the Electra House group of companies, since 1980.

★

Mr R. A. Atkins, a director of Banbury Homes and Gardens, has been appointed managing director of LARCH-LAP, a subsidiary. Mr D. P. Doley, sales manager, has joined the board of Banbury Homes and Gardens as sales director.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	11 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	11 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Royal Trust Co. Canada	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ *Brown Shipley*	11 %	Standard Chartered	■11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	11 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk. of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¾%, £50,000 and over 9¼%.
‡ Call deposits £1,000 and over 8%.
¶ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

WORLD STOCK MARKETS

Early easiness on Wall St

AN EASIER tendency developed on Wall Street yesterday, with Blue Chip securities faring worse than the rest of the market.

By 1 pm the Dow Jones Industrial Average was off 1.95 at 1,096.96, reducing its gain on the week to a mere 0.46, while the NYSE All Common Index, at $85.20, firmed 7 cents on the day and a net 2 cents on the week. Volume 52.88m shares against 52.50m at 1 pm Thursday.

Despite losing ground, some analysts believe the Stock Market may be poised for a brief recovery.

"I think on a very short term the market has had its downside reaction," one analyst said, and the upturn may come as early as this afternoon, he added.

Some had predicted only modest activity in the Stock Market yesterday as investors got ready for a three-day Washington Birthday weekend.

Some optimism is being generated by the fact that Oil issues were only slightly weaker yesterday, despite reports of sinking oil prices worldwide.

On the other hand, they say, the lower fuel prices were doing little to boost the stocks of Airline issues, which were being hurt by continuing fare wars.

Long Island Lighting led the active list and dipped $¼ to $16⅛—there is uncertainty over approvals for its Shoreham Nuclear Power Plant.

Phibro-Salomon regained $1⅞ to $64⅞, after falling $2⅞ Thursday.

Sperry declined $1⅞ to $36¼ in active trading—it could not account for the activity.

Ma/Com firmed $⅞ to $28 in active trading—a block of 428,000 shares was handled at $28.

Belco Petroleum moved up $2¼ to $29½ on merger talks.

General Electric were off $¼ to $101¼—trading in the stock was halted before the comapny said it planned a stock split and cash dividend increase.

THE AMERICAN SE Market Value Index firmed 0.10 to 382.64, making a rise of 5.12 on the week. Volume decreased 166,000 shares to 6.04m.

Closing prices for North America were not available for this edition.

Canada

Stocks turned lower around midsession after opening mixed.

The Toronto Composite Index was off 3.2 at 2,132.6. Metals and Minerals 6.0 at 2,089.5, Golds 57.9 at 4,865.7 and Oil and Gas 19.4 at 2,867.1

Canada Northwest Energy were up $1 at $57¼—*Transalta* Utilities said it bought 300,000 Canada Northwest shares at $56.75 from Imasco.

Paris

Mixed in moderate trading with technical adjustments predominating in the absence of major new market factors.

News of a 0.8 per cent December fall in French Industrial Production had little immediate impact on stock prices.

Higher sectors included Banks, Motors and Mines.

Germany

Foreign and Domestic investors flocked back to stock markets, pushing leading share prices up by as much as DM 13 in what one dealer described as "at times hectic and mad rally."

The Commerzbank Index of 60 shares rose 16.3 to 787.9—its highest since April 25 1979. Turnover was high.

The sudden return of investors seemed based on a growing belief the CDU/CSU Parties will retain power at the General Election.

Some of the strongest rises were recorded in Motors. Daimler rose DM 13.10 to 408, and VW, launching a DM 200m Eurobond, gained DM 7.50 to 175.50.

Banks were also strong, with Deutsche rising DM 6 to 270.

Switzerland

Leading shares and speculative Financials higher as markets drew strength from improved results and a proposed dividend increase reported by Ciba-Geigy—Ciba-Geigy Registered added FFr 16 at 763.

The fairly broad advance occurred on selective purchasing stemming from local and foreign investors as markets anticipate falling interest rates in the longer run.

Buying was particularly active in recently neglected Consumer Goods shares, led by **Jacobs Suchard** and **Intershop**.

Financials moved higher on lively demand.

BBC Bearer and Charmilles each firmed on hopes of a turnaround in the Engineering Industry.

The Bond Market mixed, with business in Domestic issues small.

In the Foreign sector, dollar stocks traded around overnight New York levels. Germans rallied on good demand, Dutch Internationals slightly higher.

Hong Kong

Stocks closed off the best on late profit-taking but the *Hang Seng Index* finished up at 990.35—the highest close since September 27 1982, when the index ended at 1,012.62.

Brokers cited large buying orders from a South East Asian based broker plus buying by "small" investors.

Singapore

Narrowly mixed on some profit-taking after a steadier opening in active selective trading.

Newly-listed **C. I. Holdings BHD** traded initially at S$2.65 and eased to $2.60 before recovering to close at 2.75.

Hotels, Commodities and the Second Trading section were also mixed.

Properties were mostly unchanged, although **City Developments** slipped a cent to S$2.35. Selangor remained suspended, following its announcement of restructuring.

Tokyo

Blue Chips continued to falter and pushed prices into a downswing in active trading, following concern over a high level of margin buying positions.

The Dow Average further declined 57.96 to 8,048.32 in fairly active trading of 470m (480m) shares.

Traders said the market's attention has been shifting to earnings from interest rate changes. Though some major Japanese companies reported handsome earnings increases in fiscal 1982, traders said, much of the gains came from the yen's depreciation. The Japanese currency is widely expected to appreciate this year, however, and market operators are concerned that this may cause earnings setbacks in fiscal 1983.

The market had discounted the remarks by U.S. Fed chairman Paul Volcker suggesting an interest rate downturn. Signs of a U.S. economic recovery, or easing Oil prices, failed to make their impact felt.

Motors, Computer Makers, Precisions and Light Electricals fell heavily.

But "large capital" issues such as Electric Powers, Railways and Real Estates were higher.

Johannesburg

Gold shares eased with the bullion price in quiet trading.

Thursday's Mini Budget had no impact on the market.

Australia

Shar prices eased in low turnover, reflecting easier International markets for Gold combined with the indecisive signals coming from New York and London.

Brokers said there was no general support and activity was concentrated in selected issues. Investors would be watching the result of today's Western Australian Election for trends which could influence the National poll in two weeks.

Speculative Golds generally closed lower, but Pan D'or Mining gained 5 cents to 33 cents and Walhalla Resources jumped 15 cents to $A1.60 after Pan D'or reported exploratory drilling at the Randall gold prospect in Western Australia found intersections of seven to 11 metres with mean grades of up to 13.8 grams per tonne.

NEW YORK

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

JAPAN

AUSTRIA

SWITZERLAND

SOUTH AFRICA

BELGIUM/LUXEMBOURG

ITALY

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling steady

Trading was rather quiet in currency markets yesterday. The low volume reflected a general overall picture of uncertainty with regard to U.S. interest rates. There was also little incentive to trade ahead of a long weekend in the U.S. with centres closed for Washington's birthday. Sterling showed little immediate reaction to a $3 cut in the price of North Sea oil. While such a move may have promised to have had some psychological impact, in reality it had already been discounted.

Sterling opened at $1.5365 against the dollar and rose to $1.5400 quite quickly. By noon it had risen to $1.5450 and benefited as the dollar turned down, to touch a high of $1.5505. However the dollar improved later in the day and the pound came back to close at $1.5420-1.5430, unchanged from Thursday. Its trade weighted index was also unchanged at 80.7 although it touched a four year low at the opening, sinking to 80.5 before recovering at noon to 80.9. Against the D-mark, sterling finished slightly firmer at DM 3.7025 compared with DM 3.70 and SwFr 3.0650 from SwFr 3.0750 in terms of the Swiss franc.

The dollar showed little overall change, finishing a little stronger against most currencies. It rose against the D-mark to DM 2.3990 from DM 2.3975 and SwFr 1.9980 compared with SwFr 1.9925. It closed at Y233.90 from Y233.30 against the yen but was unchanged in terms of the French franc at FFr 6.8025.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.1046	+0.30	+1.67	±1.5501
Danish Krone ...	8.23400	8.10217	−1.60	−0.23	±1.6430
German D-Mark	2.33379	2.28927	−1.91	−0.54	±1.0888
French Franc ...	6.61387	6.49128	−1.85	−0.48	±1.3940
Dutch Guilder ...	2.57971	2.53014	−1.92	−0.55	±1.5004
Irish Punt ...	0.691011	0.689911	−0.16	+1.21	±1.6691
Italian Lira ...	1350.27	1321.01	−2.17	−1.37	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Feb 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S	1.5365-1.5605	1.5420-1.5430	0.30-0.25c pm	2.14	0.76-0.71 pm	1.90
Canada	1.8820-1.8970	1.8880-1.8890	0.32-0.22c pm	1.72	0.80-0.70 pm	1.59
Nethlnd.	4.07½-4.11	4.08¾-4.09¾	2¼-1⅛c pm	5.87	6½-6 pm	6.11
Belgium	72.65-73.26	72.90-73.00	7-17c dis	−1.97	50-60 dis	−3.01
Denmark	13.06-13.17	13.07-13.09	4¾-5⅞ore dis	−4.93	22⅛-23⅛ dis	−7.01
Ireland	1.1130-1.1220	1.1165-1.1175	0.30-0.43p dis	−3.92	1.06-1.31dis	−4.28
W. Ger	3.68½-3.72	3.69½-3.70½	1⅞-1⅝pf pm	5.27	5¼-4¾ pm	5.40
Portugal	139.25-143.25	141.00-143.00	510-1285c dis	−75.84	775-2320dis	−43.59
Spain	198.50-200.00	198.90-199.20	130-230c dis	−10.85	435-535 dis	−9.75
Italy	2,131-2,143	2,132½-2,134½	15-19lire dis	−9.56	58½-63½dis	−11.44
Norway	10.87-10.92	10.87-10.88	1¼-2¼ore dis	−1.79	6¼-7¼ dis	−2.67
France	10.47-10.53	10.48½-10.49½	8½-10½c dis	−10.87	30¾-32¾dis	−12.10
Sweden	11.36-11.42	11.37-11.38	½ore pm-1¼ dis	−0.33	1¼-2¼ dis	−0.72
Japan	358½-363½	360½-361½	1.40-1.20y pm	4.32	4.00-3.80 pm	4.32
Austria	25.92-26.12	25.97-26.02	11¼-8¾gro pm	4.90	34-29½ pm	4.88
Switz.	3.06½-3.09½	3.08-3.09	2⅝-1⅞c pm	8.26	6½-5⅞ pm	7.94

Belgian rate is for convertible francs. Financial franc 75.70-75.80. Six-month forward dollar 1.16-1.11c pm, 12-month 1.50-1.35c pm.

THE DOLLAR SPOT AND FORWARD

Feb 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5365-1.5605	1.5420-1.5430	0.30-0.25c pm	2.14	0.76-0.71 pm	1.90
Ireland†	1.3770-1.3855	1.3840-1.3855	0.70-0.80c pm	5.64	2.20-2.00 pm	6.08
Canada	1.2235-1.2260	1.2240-1.2245	0.05-0.08c dis	−0.64	0.11-0.14dis	−0.41
Nethlnd.	2.6465-2.6600	2.6490-2.6510	0.89-0.79c pm	3.79	2.87-2.77 pm	4.26
Belgium	47.20-47.43	47.26-47.28	16½-18½c dis	−4.45	58-62 dis	−5.08
Denmark	8.4700-8.5375	8.4750-8.4850	3-4ore dis	−4.84	9½-10½ dis	−4.71
W. Ger.	2.3950-2.4100	2.3985-2.3995	0.64-0.59pf pm	3.08	2.14-2.09 pm	3.53
Portugal	91.00-93.00	91.50-93.00	350-850c dis	−78.05	550-1550dis	−45.53
Spain	128.60-129.55	128.85-128.95	120-170c dis	−13.47	365-415dis	−12.07
Italy	1,381-1,388½	1,383-1,384	13½-15lire dis	−12.36	46½-49dis	−13.80
Norway	7.0480-7.0765	7.0480-7.0680	1.90-2.90ore dis	−4.08	7.40-8.40dis	−4.47
France	6.7900-6.8300	6.8000-6.8050	7¾-8¼c dis	−14.12	24½-25½dis	−14.71
Sweden	7.3740-7.3960	7.3740-7.3840	1½-2ore dis	−2.85	4.30-4.80dis	−2.47
Japan	233.00-235.20	233.85-233.95	0.45-0.40c pm	2.18	1.44-1.36 pm	2.39
Austria	16.83-16.90½	16.83¼-16.84¼	4¼-3¼gro pm	2.75	14-11½ pm	3.02
Switz.	1.9880-2.0025	1.9875-1.9885	1.00-0.95c pm	5.85	3.08-3.03 pm	6.12

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.05-49.15.

EXCHANGE CROSS RATES

Feb. 18	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.545	3.703	361.0	10.49	3.085	4.090	2134.	1.889	72.95
U.S. Dollar	0.648	1.	2.400	234.0	6.801	2.000	2.652	1383.	1.224	47.29
Deutschemark	0.270	0.417	1.	97.50	2.833	0.833	1.105	576.2	0.510	19.70
Japanese Yen 1,000	2.770	4.273	10.26	1000.	29.06	8.546	11.33	5910.	5.231	202.1
French Franc 10	0.953	1.470	3.530	344.1	10.	2.941	3.899	2034.	1.800	69.54
Swiss Franc	0.324	0.500	1.200	117.0	3.400	1.	1.326	691.6	0.612	23.65
Dutch Guilder	0.244	0.377	0.905	88.26	2.565	0.754	1.	521.6	0.462	17.84
Italian Lira 1,000	0.469	0.723	1.735	169.2	4.917	1.446	1.917	1000.	0.885	34.19
Canadian Dollar	0.530	0.817	1.961	191.2	5.555	1.634	2.166	1130.	1.	38.63
Belgian Franc 100	1.371	2.114	5.075	494.9	14.38	4.229	5.607	2925.	2.589	100.

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Day to day credit was in short supply in the London money market yesterday. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills —£259m and a rise in the note circulation of £240m. On the other hand Exchequer transactions added £130m to the system. The Bank of England forecast a shortage of £350m and gave assistance in the morning of £386m. This comprised purchases of £29m of eligible bank bills in band 2 (15-33 days) at 11 per cent and sale and repurchase agreements on £357m of bills at 11-11$\frac{1}{32}$ per cent, unwinding on March 25. The forecast was revised to a shortage of £300m

Interest rates were a little firmer where changed with persistant shortages and sterling's continued weakness leaving little room for downward adjustment. This was reflected in the weekly Treasury bill tender where the average rate of discount rose to 10.6345 per cent from 10.6042 per cent. Weekend money in the interbank market opened at 11¼-11½ per cent and eased down to 10½ per cent in the afternoon before finishing at 12¼ per cent.

LONDON MONEY RATES

Feb. 18 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	10½-12¼	—	—	—	11½-11¾	10½-11¼	—	—	—
2 days notice	—	—	11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11¾	—	—	—	—
7 days notice	—	11½-11⅝	11⅜	—	—	11¾-11⅛	11-11⅛	—	—	—
One month	11½-11⅜	11$\frac{7}{16}$-11⅜	11¼	12-11¾	11$\frac{7}{16}$	11⅝-11$\frac{7}{16}$	11	11$\frac{1}{32}$	11$\frac{1}{32}$	11$\frac{15}{32}$
Two months	11⅜-11¼	11¼-11½	11⅛	11¾-11⅛	11⅛	11$\frac{5}{16}$-11⅝	10¾-10⅞	10$\frac{7}{8}$	10⅞	11½
Three months	11$\frac{1}{16}$-11$\frac{1}{32}$	11$\frac{1}{16}$-11⅛	11⅛	11⅝-11¼	11¼	—	10¾-10⅞	10⅝-10$\frac{21}{32}$	10¾	11⅛
Six months	10¾-10⅝	10⅞-11⅛	10⅞	10⅞-10½	11	—	—	—	10$\frac{1}{32}$-10½	10$\frac{25}{32}$
Nine months	10$\frac{7}{16}$-10$\frac{11}{16}$	10¾-11	—	11-10⅝	10$\frac{11}{16}$	—	—	—	—	—
One year	10¾-10½	10$\frac{13}{16}$-10$\frac{11}{16}$	10½	10⅞-10½	10$\frac{13}{16}$	—	—	—	—	—
Two years	—	—	10⅞	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼ per cent; four years 11⅜ per cent; five years 11½ per cent. фBank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅝ per cent; four month trade bills 11¼ per cent.

Approximate selling rate for one month Treasury bills 10$\frac{29}{32}$-11 per cent; two months 10⅝-10$\frac{11}{16}$ per cent and three months 10½-10$\frac{21}{32}$ per cent. Approximate selling rate for one month bank bills 11 per cent. two months 10$\frac{29}{32}$-10$\frac{15}{16}$ per cent and three months 10$\frac{25}{32}$-10$\frac{13}{16}$ per cent; trade bills 11$\frac{15}{32}$ per cent; two months 11¼ per cent and three month 11⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.6345 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¼ per cent; one-three month 11¼ per cent; three-six month 11 per cent; six-12 month 10¾ per cent. Under £100,000 10½ per cent from February 18. Deposits held under Series 3-5 10¾ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 18	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	11½-11⅝	11⅜-11⅝	11$\frac{5}{16}$-11$\frac{7}{16}$	11$\frac{1}{16}$-11$\frac{3}{16}$	10$\frac{15}{16}$-11$\frac{1}{16}$	10⅞-11
U.S. Dollar	8⅝-8⅞	8⅝-8⅞	8¾-9	8$\frac{13}{16}$-9$\frac{1}{16}$	9$\frac{3}{16}$-9$\frac{7}{16}$	9½-9¾
Can. Dollar	9-10	8¾-9½	9¼-9¾	9¼-9½	9⅜-9⅝	9⅞-10⅛
D. Guilder	4$\frac{3}{16}$-4$\frac{7}{16}$	4¾-4⅞	4⅝-4⅞	4¾-4⅞	4⅞-5	5¼-5⅜
S. Franc	1½-1¾	4¼-5	2½-2⅝	2⅞-3	3$\frac{3}{16}$-3$\frac{5}{16}$	3$\frac{7}{16}$-3$\frac{9}{16}$
Deutschm'rk	5$\frac{5}{16}$-5$\frac{7}{16}$	5½-5⅝	5½-5⅝	5½-5⅝	5⅝-5¾	5$\frac{11}{16}$-5$\frac{13}{16}$
Fr'nch Franc	14-16	16½-18	23-24	23-24	21¼-22	18½-19¼
Italian Lira	—	19¼-21¼	21¾-23⅛	22½-23⅝	22-22⅝	21½-22⅜
Belg. Franc: Conv.	11-12	12½-14	13½-14	14⅛-14¾	14-14½	13-13½
Fin.	11⅞-12⅛	12-12¼	12⅛-12⅜	12⅛-12⅜	12⅛-12⅜	12⅛-12⅜
Yen	6¼-6½	6$\frac{5}{16}$-6$\frac{9}{16}$	6½-6⅝	6⅝-6¾	6$\frac{9}{16}$-6$\frac{11}{16}$	6$\frac{9}{16}$-6$\frac{11}{16}$
D. Krone	—	14¾-16¼	16⅛-17⅜	17½-19	17¼-18⅝	17⅛-18⅝
Asia $ (Sing.)	8⅞-9	8$\frac{13}{16}$-9$\frac{1}{16}$	8$\frac{13}{16}$-9$\frac{1}{16}$	9$\frac{1}{16}$-9$\frac{5}{16}$	9¼-9½	9$\frac{9}{16}$-9$\frac{13}{16}$

OTHER CURRENCIES

Feb. 18	£	$		£ Note Rates
Argentina Peso	89,319-89,359	57,800-57,850	Austria	25.95-26.25
Australia Dollar	1.5930-1.5950	1.0325-1.0330	Belgium	75.60-76.60
Brazil Cruzeiro	451.69-452.69	291.95-293.41	Denmark	13.09-13.22
Finland Markka	8.2340-8.2600	5.3560-5.3580	France	10.47-10.57
Greek Drachma	126.787-130.005	83.10-83.40	Germany	3.70-3.74
Hong Kong Dollar	10.18¼-10.19¾	6.5950-6.6000	Italy	2110-2156
Iran Rial	129.50*	83.95*	Japan	362-366
Kuwait Dinar (KD)	0.449-0.450	0.2908-0.2909	Netherlands	4.08½-4.12½
Luxembourg Fr.	72.90-73.00	47.26-47.28	Norway	10.85-10.95
Malaysia Dollar	3.4950-3.5025	2.2630-2.2650	Portugal	140-155
New Zealand Dlr.	2.1300-2.1370	1.3840-1.3860	Spain	192¼-207¼
Saudi Arab. Riyal	5.3095-5.3150	3.4380-3.4390	Sweden	11.34-11.44
Singapore Dollar	3.1875-3.1950	2.0645-2.0665	Switzerland	3.07½-3.10½
Sth. African Rand	1.6845-1.6855	1.0920-1.0930	United States	1.53½-1.55½
U.A.E. Dirham	5.6705-5.6770	3.6715-3.6730	Yugoslavia	105-114

*Selling rates

FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 18)

3 months U.S. dollars		6 months U.S. dollars	
bid 9 1/16	offer 9 3/16	bid 9 5/16	offer 9 7/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

[illegible]

REVIEW OF THE WEEK

London copper prices near 3-year high

BY OUR COMMODITIES STAFF

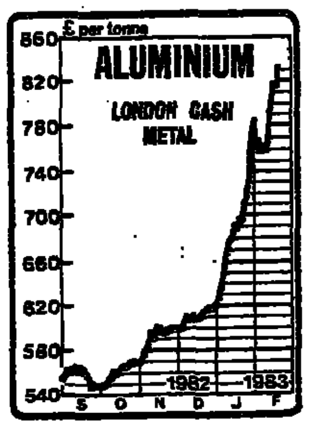
THE OIL price cuts, and a sharp rise in U.S. housing starts, helped push copper prices to the highest level for nearly three years on London Metal Exchange this week. High grade cash copper closed last night £28.5 up on a week ago at £1,092 a tonne.

Although the steam appears to have gone out the precious metals market, with gold just holding above $500 an ounce, base metals were generally firmer on hopes of improved demand developing. However the main buying interest continued to come from speculators rather than consumers.

In copper, a strike in Peru and U.S. producer price increases, offset yet another rise in LME warehouse stocks, up for the 19th week in succession to a total 292,725 tonnes.

Aluminium stocks were also up, but prices continued their recent strong upsurge. The cash price gained a further £53.5 to £834.5 a tonne—the highest level since April 1980. The market has risen by over £200 in the past two months alone.

It is felt that the heavy cuts in output by North American aluminium producers have now bought supply and demand into balance, and should enable higher price levels to be sustained. Nickel has risen for much the same reason: the cash price gained a further £188 to £2,905 this week. The firmer trend in copper also helped push lead and zinc values higher.



Natural rubber prices climbed to 34 month highs with the RSS No. 1 spot position on the London physical market reaching 66.75p a kilo before closing 5p up on the week at 66p a kilo.

The rise was due to a wave of speculative buying for which dealers could offer no satisfactory explanation. Early on some thought the upsurge might have been prompted by increased physical demand on the Tokyo market but when it continued producer price support became the preferred theory.

The Association of Natural Rubber Producing Countries will meet in Kuala Lumpur at the end of this week to consider its marketing policy. Malaysia, the biggest producer, expected to favour continuation of the export curb poilcy under which major exporters have been holding 250,00 tonnes of rubber.

Cocoa prices fell back as rain was reported in Brazilian growing regions. The May position ended £28.50 down at £1,321 a tonne. Dealers said official reports of heavy crop losses in recent bush fires in the Ivory Coast had already been discounted.

A new estimate published by the U.S. Department of Agriculture put 1982-83 world cocoa production at 1.55m tonnes, 151,000 tonnes down from its previous estimate. But this was still 11,000 tonnes above the world crop forecast issued by London merchant Gill and Duffus at the beginning of the month.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,092.50, three months £1,123, 22, 23, 24, 23.50, 24, 24.50, 24. Cathodes: Cash £1,069, 68, three months £1,100. Kerb: Higher Grade, three months £1,122.50, 23, 23.50. Afternoon: Higher Grade: Three months £1,125, 25.50, 23, 23.50, 24. [illegible]

ALUMINIUM

Aluminm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	830.5-1.5	−17.5	834-5	+22
3 months	856.5-7	−17	860-.5	−21.5

[illegible]

COPPER

[illegible]

NICKEL

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

SILVER

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	935.30p	−12.1	937p	−6.5
3 months	959.80p	−11.7	961.75p	−6.75
6 months	983.10p	−11.7	—	.....
12 months	1034.45p	−12.3	—	.....

Silver was fixed 12.4p an ounce lower for spot delivery in the London bullion market yesterday at 935.3p. (U.S. equivalents of the fixing levels were: spot $14.45, down 21.3c; three-[illegible]

INDICES

FINANCIAL TIMES

Feb. 17	Feb. 16	M'th ago	Y'ar ago
260.25	259.96	247.74	246.62

(Base: July 1 1952=100)

REUTERS

Feb. 18	Feb. 17	M'th ago	Y'ar ago
1690.7	1697.6	1620.0	1609.5

(Base: September 18 1931=100)

MOODY'S

Feb. 17	Feb. 16	M'th ago	Y'ar ago
1083.2	1084.9	1046.3	1010.5

(December 31 1931=100)

DOW JONES

Dow Jones	Feb. 17	Feb. 16	Month ago	Year ago
Spot	148.71	149.29	142.86	127.77
Fut'rs	151.32	151.39	147.88	155.42

(Base: December 31 1974=100)

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

Physical closing prices (buyers) were spot 66.00p (66.75p); March 66.75p (67.25p); April 68.00p (68.25p).

SOYABEAN MEAL

The market opened £1 higher in dull trade and remained steady in mixed trading, reports T. G. Roddick.

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	[illegible]	[illegible]
Iranian Light	[illegible]	[illegible]
Arabian Heavy	27.50-27.80	+0.05
North Sea (Forties)	28.60-29.05	−0.15
North Sea (Brent)	28.75-29.10	−0.20
African Bonny L'ht	29.50-29.80	−0.12
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	265-279	—
Gas oil	240-245	−6.0
Heavy fuel oil	158-161	—

GAS OIL FUTURES

[illegible] in line with New York, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Feb	240.50	−0.50	240.50-38.00
March	237.75	+2.25	238.25-31.25
April	230.75	+1.75	232.25-25.50
May	227.25	+1.25	228.50-22.50
June	227.75	+1.75	228.25-22.50
July	228.00	−1.50	228.00-24.00
Aug	230.00	−1.00	230.00-27.00
Sept	231.00	−0.50	230.00-29.00
Oct	232.50	−1.50	232.25-31.00

GOLD MARKETS

Gold eased just $¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $503-504. The metal opened at $502¾-503¾ and traded between a high of $503½-504½ and a low of $501-502. Trading was quiet and uneventful with little in the way of fresh factors to stimulate much movement.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
February	503.50-5.00	+1.250	505.50-04.5
March	504.50-5.50	—	—
April	508.80-9.00	+0.050	509.80-07.5
May	512.30-2.80	−0.550	—
June	516.50-6.80	+0.050	517.00-15.8
July	520.50-0.80	−0.850	—
August	524.30-4.80	−0.450	—

Turnover: 450 (637) lots of 100 troy ounces.

	Feb. 18		Feb. 17	
Gold Bullion (fine ounces)				
Close	$503-504	(£327¼-328)	$503¼-504¼	(£325-325¾)
Opening	$502¾-503¾	(£327-327¾)	$505¼-507¼	(£326¾-327⅛)
Morning fixing	$503.25	(£325.302)	$506	(£326.873)
Afternoon fixing	$503.50	(£325.048)	$504.75	(£326.595)

Gold Coins Feb. 18

[illegible]

AMERICAN MARKETS

NEW YORK, February 18.

[illegible]

NEW YORK

[illegible]

CHICAGO

[illegible]

397, 393-395: Oct 407, 412, 410-406; Dec 415, 416, 415; Jan 418, 423, 419-414; March 427, 425, 425-430; May 432, 437, 414-430; Aug 443, 449, 444. Sales: 84.

Fears quelled at Scots plants

WORKERS at GEC's two large telecommunication plants at Kirkcaldy and Glenrothes in Scotland were told yesterday that only 70 of them are to lose their jobs compared with the 360 job losses feared in 1982. Since then, 194 workers have left voluntarily, and the company said business had been better than anticipated.

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡Bargains at special prices. ΦBargains done the previous day. ΔBargains done with non-member or executed in overseas markets.

Carclo Eng Grp 10½pcPf (£1) 84. 10pc (14/2)
Herrburger Brooks 45
Hestair Consumer Prods. 6pcLn 1985-95 £37½
Hickson and Welch (Hldgs) 8½pcLn 1989-94 £66 (11/2)
Higgs and Hill 7pcPf (£1) 52 (14/2). 8pc Ln 1989-94 £71 (15/2)
Highgate Optical and Industrial (10p) 30 (16/2)
Hill and Smith Hldgs 14pc1stDb 2000-03 £104 (15/2)
Hollis Bros and E.S.A. 8pcLn 2002-07

Ranks Hovis McDougall 6pc1stPf (£1) 52 (16/2). 6pcAPf (£1) 52 (16/2). 6pcBPf (£1) 52½ (15/2). 6pcLn 1985-1988 £77 ½ ¼ 8¼. 6½pcLn 1983-88 £76½ (15/2). 7¼pcLn 1981-86 £87½. 8¼pcLn 1990-94 £72¼ (16/2). 8½pcLn 1991-95 £75½ 6¼
Raybeck 10¼pcPf (£1) 86
Readicut Internatl 5¼pc2ndPf (£1) 37 8 (16/2). 8¼pcLn 1988-93 £68 (16/2)
Reckitt Colman 5pcPf (£1) 44

Credit Foncier De France 14¼pcLn 2007 £114½ (15/2)
Credit National 13½pc 1993 £106
Daily Mail & General SpcPf (50p) 22
Elders IXL (A$1) 170
Exploration (5p) 58
F & C Enterprise Tst Wrts 14 (16/2)
First National Finance Corp for Ord 1975-83 1992 £78

[…]

Authorised Unit Trusts on Page 17

[…]

Unilever 8pc2ndPf (£1) 70½ (16/2). 6¼pcDb 1985-88 £82 ¼. 5½pcLn 1991-2006 £47½ 8 9¼. 7¼pcLn 1991-2006 £60½ 5 ½ ½ ¼ 6
Union Intnl 6pcPf (£1) 44. 7pcPf (£1) 51. 10pcPf (£1) 70
Union Steel Corp (of South Africa) (R0.50) 50 (11/2)
Uniroyal 4¼pcDb £31
United Biscuits (Hldgs) 8pcDb 1993-98 £72½ (14/2). 5¼pcLn 2003-08 £46 (16/2)
United Gas Inds 10pcLn 1998-2003 £84Φ
Upton (E.) & Sons 27
Utico Hldgs (R1) 210
Valor 5¼pcPf (£1) 109 (14/2)
Vantona Go 4.9pcPf (£1) 48 9 (14/2)
Vickers 5pcPf (£1) 32½Φ. 5pcPf (£1) 51½ 2
Victoria Carpet Hldgs 19 (15/2)

W—Y—Z

Wade Potteries 4.2pcPf (50p) 19 (11/2). 10pcPf (£1) 87 (11/2)
Walker and Staff Hldgs (5p) 30
Walker (Thomas) (5p) 12 ½
Warner Holidays 6¼pcPf (£1) 40 (15/2)
Wassall (J.W.) (5p) 32 (15/2)
Waterford Glass Gp 11¼pc 1976-95 £60 (14/2)
Waverley Cameron 70Φ 30 8Φ
West Bromwich Spring 11.5pcPf (£1) 70 (15/2)
West Riding Worsted & Woollen Mills 6pcPf (£1) 43
Westland 7¼pcLn 1987-92 £69 (15/2)
Whitecroft 4.1pcPf (£1) 45½ (16/2)
Whites (Timothy) 6¼pcLn 1983-88 £97 (16/2). 9pcLn 1986-91 £102 (16/2)
Whittingham (William) (Hldgs) 9pcLn 1992-97 £50 (16/2)
Wiggins Teape (UK) 6½pc2ndDb 1981-86 £86¼ ½
Willey & Riddel (Hldgs) 5pcPf (£1) 50 (16/2)
Wilson (Ambrose) 5½pcPf (£1) 33 (15/2)
Wire & Plastic Products (10p) 45 (16/2)
Woodward (H.) & Son (12½p) 36
Woolcombers (Hldgs) 6pc2ndPf (£1) 32 (15/2)
Woolworth Hldgs 14pcLn 1987-89 £103 ¼ ½ ¾ 4
Worthington (A.J.) (Hldgs) (10p) 18 9
Xerox Corp ($1) $37¼ (11/2)
Yorkshire Chemicals 12½pcLn. 1987-92 £101

FINANCIAL TRUSTS

Aitken Hume Hldgs 10pcLn 1990-91 £157 8
American Express ($0.60) $53½ (16/2)
Anglo-African Finance (7½p) 29½Φ
Argyle Tst Warrants to sub for Ord 2½Φ
Armour Tst 10½pcLn 1991-96 £72½ (16/2)
Assam Trading (Hldgs) 5.6pcPf (10p) 6 (11/2)
Britannia Arrow Hldgs Wts to Sub for Ord 9 (14/2). 6¼pcPf (£1) 54½ 5½

[…]

Botswana RST (Pu2) 25 7
Consolidated Gold Fields 6½pcLn 1987-92 £66Φ. 7¼pcLn 1999-2004 £66 (16/2). 8¼pcLn 1988-93 £77 ¾
De Beers 40pcPf (R5) £8¼Φ. 8pcPf (R1) 20 (14/2)
El Oro (10p) 98 9½ 100.
Globe Phoenix (12½p) 50 60
MTD (Mangula) (SR1) 28 (16/2)
Minerals Resources Con ($B1.40) 775 80 3 5
North Kalgurli Option to sub for 1 share 45 ½ 6½ 6 ½ 72 ½
Northchart Inv (R0.10) 7
Paringa (5p) 61
Rio Tinto-Zinc Con 515 8 22 5. 3.325pc APf (£1) 43. 6¼pcLn 1985-90 £75 (16/2)

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 104
Eastern Transvaal Cons (R0.50) £14½ (16/2)
New Central Witwatersrand Areas (R0.50) 680
Trans-Natal Coal Con (R0.50) 560 5
Western Deep Levels Option to sub £17.53 (14/2). 12pcLn 86-93 (R1) 50½ (16/2)

OIL

British Petroleum 316 (16/2). 9pcPf (£1) 78 81
Britoil (10p) £0.48
Burmah 6pcPf (£1) 48 (16/2). 7¼pcPf (£1) 63. 8pcPf (£1) 67½ (16/2). 7½pc Ln 1981-86 £86¼
Century 5.25pcPf (£1) 55 (14/2)
Dome Petroleum 210 (16/2)
Occidental Petroleum Cpn ($0.20) $19¾ (14/2)
Shell Transport, Trading 5½pcPf (£1) 52½ 7pcPf (£1) 62

PROPERTY

Alliance Property Hldgs 9½pcDb 1992-97 £81¼Φ
Allied London Properties 10pcPf (£1) 100 8½pcLn 1999 £111¼ 2½ (15/2)
Allnatt London Properties 6¼pcDb 1986-89 £80 ¼ (11/2). 10½pcDb 1994-99 £86½ (16/2)
Argyle Securities 12pcDb 1993-98 £94½ (15/2)
Arrdale Property Tst 6¾pcLn 1984-89 £74 (11/2)
Bampton Hldgs 8¼pcLn 2002-07 £64 (14/2)
Bradford Property Tst 10½pcPf (£1) 115½ (14/2)
British Land 15pcDb 1987 £112½. 12pc Ln 2002 £272 3
Capital Counties 4.2pcPf (£1) 43½. 9¼pc Ln 1991-96 £81 ¼
Central District Properties 7¼pc1stDb 1991-96 £68½ (15/2). 7½pc1stDb 1997-2002 £67½ (16/2). 8pcLn 1979-99 £65½ 6
Charlwood Alliance Hldgs 7½pcLn (50p) 23½Φ
Churchbury Estates 6.4pcLn 1985 £177¼ (14/2). 8pcLn 1987 £186½
Commercial Properties 3pcDm (1983) £95
Country New Town Properties (10p) 59
Creighton Combined Securities 8¼pc1stDb 1986-91 £73½

[…]

First Talisman Invest (20p) 29
Fuller Smith Turner A (£1) £10.145Φ 15Φ
HB Electronic Components (10p) 93. New (10p) (Fp 8/4/83) 83 8 90 ½ 1 2 3 4 5 6 7 8 100 2 3
Inn Leisure Group (5p) 31 4 ½
Knight Computer Intnl (5p) 41 3 4
London Continental Advert Hldgs (8p) 34 6. 11½pcLn 1995-2002 £165 (14/2)
London Manchester Securities (8p) 20½
Memory Computer (Ir£0.10) I£2.4 p200 2 4 5 6
Merrydown Wine 550 5 8 60 3½ 5½
Microfilm Reprographics (10p) 45 6
Microgen Hldgs (10p) 310 23½. New (10p) (Fp 4/3/83) 305 20
Miles 33 (10p) 190 1 2 3 5½ 6½
Munford White (10p) 222Φ 30Φ
New Court Natural Resources Wrrts 10¼
Radio City (Sound of Merseyside) A NV 116 7
Resource Technology (10p) 162 5 7
Sinclair (W.) Hldgs 90 3 5 6 8. Dfd 87
Swindon Private Hospital (£1) 108
Television South 14/20pcLn 1986-88 £114
Thorpac Group (5p) 70
Toos Estates (10p) 62 3 5
United Friendly Insurance B (10p) 213Φ 5Φ
VW 48½
Wight Collins Rutherford Scott (10p) 303 5 7 8½. New (10p) (Fp 18/2/83) 295 300 2 3 5 (16/2)
Willaire Systems Res Div 8 (15/2)
Yelverton Invest (5p) 41 2 3½ ½

RULE 163 (4) (a)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

AOG 10½ (14/2)
Aberfoyle 400Φ 30Φ 25 (15/2)
Acmex 40Φ 40 (15/2)
Acorn Sec 103Φ 4Φ 5Φ 95 6 7 8 9 100 1 2 3
Aetna Life and Casualty £22½
Aginico Eagle Lines £10¼
Alkane Expl 370 7 (16/2)
Allstate Exp 36 8 (16/2)
Amad 20 (16/2)
American Elec Power £10¼Φ (16/2)
American Home Products £27½
American Standard £20¼Φ
Anipol Exp 81Φ 1 (16/2)
Amsterdam Rotterdam Bank £11.1Φ (15/2)
Anglo Utd Development 72
Ashton Mining 75
Asia Oil and Min 15
Assoc Manganese Mines of SA £55 6½
Atlantic Richfield £28 (15/2)
Australian Cons Minerals 23 ½ ¼ 4
Australian Foundation 82 (16/2)
Australian Guarantee Con 135
Australian Nat Inds 135 (11/2)
Australian Oil and Gas 65
Australian Shale and Coal 6 (16/2)
Andet £22¼Φ 3
Aztex Exp (A$0.35) 20
BP Canada £21½ 2½
Baguio Gold Mining 8 ¼Φ (15/2)

Ayrton Saunders 5pcCumPfShs (£1) 20 3 (14/2)
Ayrton Saunders 7½pcCumPfShs (£1) 35 40 (14/2)
Baker Electronics 18 9
Biotechnology Inv 900 50 (16/2)
Bonas Machine 12½pcCumPfShs (£1) 89 ½ (11/2)
Cannon St Invs 6 (16/2)
Carraun 17½ 8 9 20
Central TV N/V A 120 2 3 6
Checkpoint Europe 525 30 1
CIC Inv 11 2 (14/2)
Coghlans Props 57 62 (16/2)
Coghlands Props 7pcUnsLnStk (£100) £27
Comcl Bank of Wales 80 3 5 32 (16/2)
Dalkeith (Ceylon) 11 2 (14/2)
Daniels Eng 7¼pcMtgDbStk 1981-86 £89 ¼ (15/2)
Dart Valley Light Rlwy 61 5
Dawson (Wm) 252 3 (16/2)
De Gruch (Abraham) 250 (14/2)
Dollar Land 35 6 (15/2)
Douglas Gas Light 163 (15/2)
Eastbourne Waterworks 910 25
Farmer Stedall 132 3 5 6 (15/2)
Grampian TV 63 6 (14/2)
Guernsey Gas Light 400 (16/2)
Heart of Midlothian FC 100 (14/2)
Home Brewery 920 2 (16/2)
Hydro Hotel Eastbourne 305 (11/2)
Jersey Gas 3pcCumPfShs (£1) 100 (14/2)
Jersey New Waterworks 2pcCum&thPf Shs (£5) 74 (14/2)
LET Hldgs 270 310
Le Riches Stores 275 7 (14/2)
Littlewoods Org 12pcBCumPfShs (£1) 119¼ 20
Martonair Inr 10pcCumPfShs (£1) 64 65 (11/2)
Minch Norton 130 (16/2)
Nationwide Leisure 16 7 8 (14/2)
Norton Villiers Triumph 1¼ 2 (15/2)
Park Estates (Liverpool) £20 05
Plantation and Gen Inv 89 90 (11/2)
Rangers FC £13 (11/2)
Roche Plant 17½ 8 9 (11/2)
Severn Valley Railway 75 (16/2)
Shepherd Neame 780 5 (11/2)
Southern Newspapers 193 5
South Quay Inv 105 (15/2)
Sutton Harbour Improvement 250 (14/2)
Taddale Invs 50 ¼ ½ 1
Tisbury Brewery 95 100
Trident TV 75 7 ¼ (15/2)
Villiers Hotel 190 (15/2)
Villiers Hotel 8pcBCumPf (50p) 21 (15/2)
Weetabix A (Non-Vtg) 250 (14/2)
Wynstay Props 106 (11/2)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

Kenmare Oil Exp 3 (14/2)
Voyager Pet (UK)

(By permission of the Stock Exchange Council)

EUROPEAN OPTIONS EXCHANGE

Series		Mar. Vol.	Mar. Last	June Vol.	June Last	Sept. Vol.	Sept. Last	Stock
D FL C	F.265	-	-	3	6	--	—	F.265
D FL P	F.260			1	6.90	—	..	"
D FL P	F.265	2	4	5	10	..	—	"
D FL P	F.270	.	—	3	12.60	—	--	"
		Feb.		May		Aug.		
GOLD C	$300	109	202	—	..		--	$504.25
GOLD C	$325	4	177	--	—	--	—	"
GOLD C	$350	13	155	—		--	—	"
GOLD C	$375	7	127	6	140 B	--	.	"
GOLD C	$400	17	105	-	—	..	..	"
GOLD C	$425	114	82	..		4	104	"
GOLD C	$450	254	50	25	68	--		"
GOLD C	$475	329	25	17	52	3	70	"
GOLD C	$500	1766	2.50	168	38	1	53	"
GOLD C	$560	—	—	41	18.10	25	33	"
GOLD P	$450	-	-	22	5	—	—	"
GOLD P	$475	—	—	17	13	—	—	"
GOLD P	$500	43	1.50	58	21	—	—	"
12¾ NL 81 87-91								
C	F.115	17	19	—	—	—	—	F.134.30
C	F.127.50	65	6.60	—	—	—	—	"
C	F.130	—	—	15	5.50	—	—	"
P	F.130	—	—	15	1.60	—	—	"
P	F.135	373	0.50	20	3	—	—	"
10¾ NL 80 86-95								
C	F.110	30	4.50	—	—	—	—	F.114.80
P	F.115	20	0.40 A	—	—	—	—	"
11½ NL 82 86-92								
C	F.110	219	6.30	—	—	—	—	F.116.60
C	F.112.50	250	4.10	—	—	—	—	"
C	F.117.50	--	--	339	1.80	—	—	"
P	F.117.50	30	1.20	—	--	—	—	"
10 NL 82 86 89								
C	F.102.50	15	6	—	--	—	—	F.108.60
10 NL 82 II 86-89								
C	F.105	11	6.50	—	—	—	—	F.111.60
C	F.107.50	45	4	75	4	—	—	"
C	F.110	—	—	50	2.40	—	—	"
7¾ NL 82 89-93								
C	F.100	137	1	42	2.20	—	—	F.101.20
C	F.102.50	-	—	515	0.80	—	—	"
P	F.103.50	20	1.50	500	2.40	—	—	"
7½ NL 83 87-90								
C	F.100	—	—	15	1.40	—	—	F.100.20
P	F.100	—	—	200	1	—	—	"
		April		July		Oct.		
ABN C	F.320	125	9	—	--	...	—	F.315
ABN P	F.330	76	14	—	—	—	—	"
AKZO C	F.35	152	8.90	60	8.80 B	--	—	F.44
AKZO C	F.40	173	4.80	--	..	—	—	"
AKZO C	F.45	247	2.40	107	3.80 B	—	—	"
AKZO C	F.50	37	1.30	..	..	—	—	"
AKZO P	F.40	—	—	44	1.90	—	—	"
AKZO P	F.45	106	3.30	—	—	—	—	"
AMRO C	F.45	59	3.30	..	—	—	—	"
AMRO C	F.50	67	1.30	54	1.70	—	—	"
AMRO P	F.40	228	1.80 A	--	—	—	—	"
AMRO P	F.45	50	4.20	—	—	—	—	"
HEIN C	F.110	229	9.50	100	10.50	—	—	F.118.40
HEIN C	F.120	224	5.50	—	—	—	—	"
HEIN P	F.110	206	2.50	—	—	—	—	"
HEIN P	F.120	300	6.60	—	—	—	—	"
HOOG C	F.15	115	4.70	72	5.20	—	—	F.19.40
HOOG C	F.17.50	116	2.70 B	—	—	64	4.70	"
HOOG P	F.17.50	69	0.60	—	—	—	—	"
KLM C	F.150	77	9.50 B	—	—	—	—	F.154.30
NEDL P	F.90	47	3.30	—	—	—	—	F.96
PHIL C	F.27.50	195	8.50	31	8.50 B	—	—	F.35.90
PHIL C	F.30	107	5.70	72	6	35	6.90	"
PHIL C	F.32.50	112	4	1100	4.50	56	5	"
PHIL C	F.35	143	2.40	305	3.30	333	3.70	"
PHIL C	F.40	35	1	2632	1.60	—	—	"
PHIL P	F.30	50	0.30	—	—	—	—	"
PHIL P	F.32.50	6	0.70	17	1.50	162	1.60	"
PHIL P	F.35	27	1.50	40	2.30	95	3	"
RD C	F.90	115	11.70	52	12	31	14	F.100.80
RD C	F.100	497	5.30	109	6.20	12	8	"
RD C	F.110	585	2.20	173	3.10	25	4	"
RD P	F.100	65	3.80	30	6.50	--	—	"
UNIL P	F.190	47	5.80	3	10	5	13	F.194
		Feb.		May		Aug.		
BASF C	DM.110	64	19 A	—	—	—	—	DM.28.30

TOTAL VOLUME IN CONTRACTS 17,616

A=Asked B=Bid C=Call P=Put

U.K. CONVERTIBLE STOCK 19/2/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇟	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	274.50	333.3	80-97	4.4	1.7	−0.2	− 4 to 8	29.4	85.9	20.5	+20.7
Hanson Trust 9½pc Cv. 01-06	81.54	205.00	107.1	85-01	4.8	2.8	−2.4	− 2 to 7	96.0	76.1	−9.5	− 7.1
Slough Estates 10pc Cv. 87-90	5.03	225.50	234.4	78-84	4.5		−4.7	−13 to −3	17.7	9.3	−3.6	+ 1.2
Slough Estates 8pc Cv. 91-94	24.72	107.00	97.5	80-89	7.6	7.0	8.7	3 to 15	29.0	34.4	5.5	− 3.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⇟ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

هكذا من الأصل

Agreement at ADB on capital increase

By Emilia Tagaza in Manila

THE ASIAN Development Bank (ADB) yesterday confirmed that China had officially requested to become a member. The bank also announced compromise agreement on a 105 per cent increase in this year's authorised capital.

Mr Masao Fujioka, ADB president, said China's eligibility for membership would be decided by a two-thirds vote of the bank's board of governors. "I think many governments support China's admission to the bank," he added.

But he warned that China's approach would create a problem over Taiwanese membership, which the Chinese want terminated.

Taiwan, a founding member, has a subscribed capital in the bank of $100m, $19.5m of which has been paid in. Its total loans amount to $100m, of which $40m was outstanding as of last December.

Taiwan is expected to lobby hard in Washington to maintain its membership of the bank.

The agreement on the capital increase raises subscribed capital from $7.9bn to $16.2bn. But the paid-in portion will be 5 per cent, against last year's 10 per cent, because of budgetary constraints in most member countries.

But Mr Fujioka does not expect this to affect drastically the bank's commercial borrowing. The ADB would borrow $1bn from international capital markets this year, against last year's $882m and 1981's $668m.

ADB officials said last year that some developed countries, particularly the U.S., the bank's second largest contributor after Japan, favoured a smaller capital increase.

Some donor countries also wanted a paid-in portion lower than the 10 per cent ADB officials were asking while the U.S. wanted no paid-in capital at all.

Mexico allows full foreign control of Grupo Alfa units

BY WILLIAM CHISLETT IN MEXICO CITY

THE MEXICAN Government will allow foreign investors total control of the subsidiaries which Grupo Industrial Alfa, the country's largest and troubled private enterprise business, hopes to sell off to pay back and reschedule its $2.3bn debt.

Mexico's foreign investment law restricts foreign participation in a joint venture to a maximum of 49 per cent except in very special circumstances which are left to the authorities to determine.

Sr Ernesto Canales, Alfa's vice-president for legal matters, said the company had been told by the Government that Alfa would be considered in the "special" category.

The Government, which is wrestling with a liquidity crisis and a fierce recession, is keen to attract foreign capital. Alfa, which has not made any repayment of principal debt since last April and which also deferred about 70 per cent of its interest payments last August, plans to divest itself of 45 per cent of its 165.5bn pesos of assets. The company over-extended itself on the back of massive foreign borrowing. The peso exchange rate has plummeted in the past year, but when Alfa stopped repaying its foreign debts, its assets were worth about $3.4bn in dollar terms.

Its paper and packaging, tourism, food, consumer and capital goods interest will be sold off. A new streamlined Alfa will be formed, containing the Hylsa steel mill and four petrochemical concerns.

The proposals are set out in a liquidation plan announced in December by Lehman Brothers Kuhn Loeb, the New York investment bankers and financial advisers, who are leading the debt restructuring effort on behalf of Alfa. The company met its creditors in Houston last month when it asked for an extension of its temporary debt moratorium

Sharp decline for McCarthy

BY BERNARD SIMON IN JOHANNESBURG

McCARTHY GROUP, South Africa's largest motor vehicle and motor-cycle distributor, suffered another sharp decline in earnings in the six months to December 1982, with net profits falling by 41 per cent to R4.9m ($4.3m).

Sales dropped to R371.5m from R379.7m and operating profits were down to R12.8m from R18.5m. The interim dividend has been cut to 10 cents from 15 cents, the second consecutive dividend reduction.

The directors said: "Competition was extremely keen and gross profit margins came under considerable pressure." In view of an expected further contraction of the South African motor market during 1983, they warn that earnings "are likely to show a further downward trend" in the second half

McCarthy, which claims to be the world's third largest motor retailing group, has franchises for eight of South Africa's 10 motor vehicle manufacturers, and distributers Yamaha and Kawasaki motor-cycles. It also has an industrial engine division.

Motor vehicle sales volumes shrank by 15 per cent in South Africa in the second half of last year, and motor-cycle sales were 27 per cent down on July-December 1981.

New car sales in January were the lowest in three years and are expected to fall to about 250,000 units this year, compared to 283,000 in 1982.

Voltas posts record pre-tax earnings

BY R. C. MURTHY IN BOMBAY

VOLTAS, a Tata group manufacturing and marketing company, has posted record pre-tax profits of Rs 104.6m ($10.6m) in the year to September 1982, a rise of 19 per cent on the previous year's performance.

Turnover was up 8.4 per cent to Rs 3.7bn. The dividend was raised from 20 to 21 per cent.

Mr A. H. Tobaccowala, chairman of Voltas, said this growth trend was still being maintained with a 5 per cent increase in sales during the October-December quarter

The success of Voltas stands in some contrast to the generally depressed state of most of Indian industry. A year ago, Voltas revamped its corporate strategy with rural development now an important element in its plans, Mr Tobaccowala said.

The company is diversified with a strong nationwide marketing network. It makes airconditioning equipment (with technical assistance from the Carrier Corporation of the U.S.), machine tools, electric motors and bulk-materials handling equipment. In addition, Voltas distributes pharmaceutical and milk products manufactured by other companies.

Property sale lifts profits at Flakt

By David Brown in Stockholm

FLAKT, the Swedish ventilation and pollution control group, has reported a slight increase in pre-tax profits for 1982 to SKr 207m ($28m) from SKr 204m a year earlier. Sales rose by SKr 1bn to SKr 7bn.

The rise in group pre-tax profit was achieved, however, by an extraordinary gain of SKr 60m from the sale of property in Sweden and Australia.

Of the gain SKr 10m was taken into the group balance sheet at the pre-tax level and SKr 50m was taken into the parent company results, boosting pre-tax profits to SKr 113m. Without the gain pre-tax profits would have been unchanged from 1981's SKr 63m.

The group, which was taken over in 1981 by ASEA, the Swedish electrical concern, has proposed a dividend for 1982 or SKr 9 a share, up SKr 1 from 1981.

U.S. insurance group falls

By Our Financial Staff

COMBINED International, the U.S. insurance holding company, with operating subsidiaries in accident, health and life coverage and reinsurance, has reported a 22 per cent decline in fourth quarter net operating profits to $17.2m, or 53 cents a share, from $22.2m or 82 cents, a year earlier.

The downturn was steeper than earlier last year; and left the Illinois-based company with net operating profits for the full year of $86.6m, or $2.96, down 14 per cent from $100.3m, or $3.70 a share.

Revenues for 1982 were $1.04bn against $820.7m in 1981, with the final period chipping in $300.8m compared with $231.8m

Recession brings first annual loss for Stelco

BY ROBERT GIBBENS IN MONTREAL

STELCO, Canada's largest steelmaker, has reported a net loss before preferred dividends of C$40.8m (U.S.$33.3m) for 1982, the first annual loss in its 72-year history.

The loss compares with a net profit of C$82.8m or C$1.45 a share in 1981 and reflects the severe recession in North America, low prices, import competition and cancellation of major Canadian energy projects.

Sales last year were C$2.02bn against C$2.17bn. The company tried to maintain volume with offshore sales, but margins were very slim. Domestic prices failed to cover cost increases.

Stelco, which has a domestic market share of about 35 per cent, had shown losses in the first three quarters of 1982. It cut overheads severely and laid off several thousand workers in the second half.

Despite pressures on cash-flow, Stelco will complete its hot strip mill at its new Lake Erie works in Ontario in the second quarter this year.

Stelco's results are in line with those of Algoma Steel, the third largest steel company. Only Dofasco, the second largest producer which specialises in sheet products, was profitable in 1982.

All the Canadian steel companies remain pessimistic about 1983, but signs of an upturn in demand are beginning to show with lower interest rates and a revival in the construction industry.

Bond issues to raise $200m

BY ALAN FRIEDMAN

PRICES OF Eurodollar bonds firmed by ¼ to ½ point yesterday as two new issues totalling $200m were launched in London.

Skandinaviska Enskilda Banken (SEB), Sweden's largest bank, is raising $100m through a five-year bond issue led by Enskilda Securities, Morgan Guaranty and Salomon Brothers International. The expected coupon is 11¼ per cent and the pricing is to be fixed on February 24.

SNCF, the French railway, is also launching a $100m issue, with a coupon of 11½ per cent at a price of 99¾. Swiss Bank Corporation International and Banque Nationale de Paris are lead-managers.

The SNCF deal carries a 10-year maturity and offers investors the option of redeeming the paper at par after seven years. The market reaction to both the new issues suggested that the bond market's appetitie is beginning to return. Neither issue was a sell-out, but both received a respectable reception in Europe.

In West Germany, the DM 1.97bn new issue calendar kicked off last night with a DM 200m 10-year foreign bond for Volkeswagen's Netherlands financial subsidiary. Dresdner Bank is leading the 7¼ per cent issue, priced at 99 to yield 7.4 per cent at issue price.

Prices in the Euro D-mark sector closed unchanged to slightly higher last night after a day of quiet trading.

Swiss franc foreign bonds closed unchanged last night after moderate trading.

Hospital Corporation up 54% in year

BY OUR FINANCIAL STAFF

HOSPITAL CORPORATION of America, one of the world's leading hospital management companies, has reported net profits of $41.8m, or 52 cents a share, for the fourth quarter ended December 31, a rise of 47 per cent from the $28.4m, or 38 cents, achieved a year earlier.

This brought the full year net of the Nashville, Tennessee-based group to $171.9m, or $2.25 a share, a rise of 54 per cent from 1981's $111.1m, or $1.67.

Fourth quarter revenues were $905.8m, an increase of nearly 20 per cent from $755.7m a year earlier. Full year revenues were 47 per cent higher at $3.54bn compared with $2.41bn.

The full year net was somewhat below management's forecasts made in October. It then expected net profit of about $3 a share on revenues of $3.5bn to $3.6bn.

The company owns or leases nearly 200 hospitals in the U.S. with a capacity of 30,530 beds. Its 16 hospitals abroad, with a total of 1,640 beds, include four in the UK. The company also manages a further 149 facilities in the U.S. and abroad with a total of 18,457 beds.

The group plans to continue its rapid growth which it hopes will lead to a doubling of revenues and profits every three years.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Short tap runs out in first-time dealings as Gilts take over dominant role from listless equities

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 31	Feb. 17	Feb. 18	Feb. 28
Feb. 21	Mar. 3	Mar. 4	Mar. 14
Mar 7	Mar 17	Mar 18	Mar 28

* "New-time" dealings may take place from 9.30 am two business days earlier.

Not for the first time this week, rising Government securities yesterday contrasted with easier London equity market values. Renewed fervour for British Funds was such that official supplies of the new £30-paid short tap stock were exhausted in first-time dealings. To satisfy fairly aggressive *domestic and Continental* demand, the Government broker sold supplies of the further £700m tranche of Exchequer 10½ per cent 1987, designated A, in three stages starting at 30½ and finished just before the official close at 30¾.

Sterling's stability in the face of BNOC's recommended North Sea oil price cut of $3 per barrel prodded Gilt-edged investors into action after the market had opened rather cautiously. Continuing hopes of cheaper international money and the trend of U.S. long bond prices were other contributory influences to the firmer tone. The shorts were again briskly traded although the presence of the tap inhibited general upward progress. Medium and Longer-dated issues, currently free of tap stocks, made good gains extending to a full point in thinner trading.

The record subscription for **Superdrug Stores**—the issue was oversubscribed 95 times as against the previous record 85 times for Eurotherm—dramatically illustrated where equity investment funds were concentrated. Leading industrials thus continued their reaction from the previous Friday's all-time peaks to end the three-week trading Account on a dull note. Some dealers in blue chip and international stocks transacted a good two-way business at the lower levels, but others experienced the slackest trade for some time.

The FT Industrial Ordinary share index repeated Thursday's pattern by moving progressively lower and was more than six points down at 3 pm. Revived interest after the official close, when business is permitted without penalty for the Account starting on Monday, reversed the decline and the index closed a net 4.4 down at 645.9: on the week, this measure was 16.6 lower, but was nearly 26 points up over the extended trading Account.

Lloyds Bank jump

Lloyds got the clearing bank dividend season off to an eventful start, the shares rising 33 to 478p with the 15 per cent dividend increase and the chairman's optimistic statement regarding the group's recovery potential more than making up for the disappointing preliminary profits. The other major clearers, unsettled of late by fund-raising rumours, moved up sharply in sympathy. **Barclays**, the next to report annual results on March 7, closed 17 better at 444p. **NatWest** rallied 25 to 530p and **Midland** advanced 14 to 344p: the latter being additionally helped by the sale of its freehold interest in 60, Gracechurch Street, for around £30m. Elsewhere, **Royal Bank of Scotland** found support at 127p, up 7, while **Standard Chartered** put on 15 to 470p.

A depressed sector on Thursday following adverse rumours concerning **Commercial Union's** North American operations and fears of substantial claims arising from the South Australia bush fires, Composite Insurances rallied well in places: C.U., with preliminary figures scheduled for Tuesday, picked up 6 to 135p, while **Royals** recovered 7 to 510p. Lloyds Brokers, however, turned dull: **C. E. Heath** lost 10 to 330p as did **Sedgwick**, to 211p.

After Wednesday's belated, but highly successful market debut, **Associated British Ports** traded quietly and closed without alteration at 137p: the issue price was 112p. Thursday's newcomer to the Unlisted Securities Market, **HB Electronics**, attracted fresh support and put on 7 to 96p compared with the placing price of 38p.

Breweries again drifted gently lower reflecting the continued paucity of investment demand. **Whitbread** eased 2 to 147p, while **Scottish and Newcastle**, gave up a penny to 82½p. Reduced world demand for whisky, as indicated by sharp cutbacks in Distillers' malt operations unsettled **Arthur Bell**, 4 cheaper at 310p. **Distillers** dipped to 241p before settling for a net loss of 2 at 243p—a fall of 16 on the week. **Tomatin** were marked 3 lower at 39p following confirmation that the company is preparing a reconstruction of the share capital.

Worries about foreign cement imports continued to unsettle the major cement producers, **Blue Circle** losing 5 for a fall on the week of 32 to 400p: three months ago, the shares were trading around the 500p level. **Rugby Portland Cement** gave up 2 for a three-day fall of 9 to 97p. Secondary issues displayed several firm spots: **Feb International A** gained 7 to 100p and **Tilbury Group** 10 to 118p, both on speculative interest, while **P. C. Henderson**, still reflecting the U.S. acquisition, advanced 15 for a gain on the week of 90 to 415p. **Crouch Group** were again wanted and put on 4 to 122p: **Prowting Holdings** has disclosed a 7.1 per cent stake in the company.

Nervous offerings ahead of next Thursday's preliminary results left **ICI** 6 cheaper and 12 down on the week at 380p. After Thursday's gain of 17 following an analysts' meeting with the company, **Allied Colloids** encountered profit-taking and gave up 7 to 305p. **Novo Industries B** met renewed support and rose 6¼ points to £167. **Hoechst** gained 12 to a 1982/83 peak of 350p, while **Bayer** firmed 1¾ points to £34¾.

Woolworth good late

Institutional investors continued to shy away from leading Stores; although a slightly firmer tone became apparent after the House close, most still displayed small falls. Awaiting further developments in the bid situation, **UDS** eased a couple of pence to 115p, while **Burton**, *still hoping to purchase the* Richard Shops/John Collier retail outlets, gave up 3 to 317p. **Marks and Spencer**, 198p, and **W. H. Smith A**, 224p, both shed 4, the latter for a fall on the week of 14 at 224p. A notable exception to the trend was provided by **Woolworth**, which responded to late support with a gain of 5 to 216p.

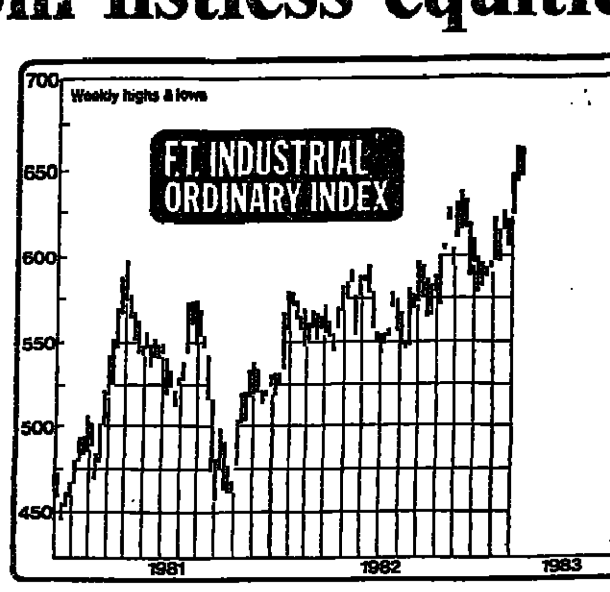
Greenfields Leisure rose 5 to 51p following the return to profits and the increased dividend. Revived speculative support lifted **Mellins** 6 to 244p and **Northern Goldsmiths** 15 to 174p. **Comet**, on the other hand, came on offer and fell 8 to 245p.

Sound Diffusion featured Electricals with a gain of 26 to 276p on speculative demand. Still drawing strength from the $2.5m acquisition of Alarm Supply of the U.S., **Electro-Protective** rose 6 making a gain of 28 on the week at 254p. **Amstrad** jumped 25 more in a thin market to 395p and improvements of 4 and 8 respectively were recorded in **Fidelity Radio**, 127p, and **Webber**, 173p. **International Signal and Control** eased to 248p before rallying to close a net 2 harder at 258p, while **Dale** edged forward a penny to 82p on an investment recommendation. Profit-taking in the wake of the satisfactory preliminary figures left **Standard Telephones and Cables** 5 easier at 202p. **Ferranti** declined 11 to 471p and **AB Electronic** 15 to 590p.

John Brown remained under a cloud in Engineerings, falling 2 more to 17p, after 16p, with sentiment undermined by talk of a large line of shares overhanging the market. Elsewhere, **Vickers**, with preliminary results scheduled for the last day of the month, softened 2 to 120p, after 119p. **TI** eased 4 to 162p. **F. Pratt**, in which the 600 Group owns a near-27 per cent stake, attracted revived speculative interest and closed 7 to the good at 32p following Press comment and news that Maurice James Industries has increased its holding to just over 5 per cent. **Whessoe** reflected an investment recommendation with a rise of 4 to 114p, while **Simon** revived with a gain of 8 to 368p. **Rotork** put on 3 to 67p but **Davy Corporation** remained friendless and shed 3 to 55p.

Food Retailers ended the Account on a drab note. **J. Sainsbury** softened 5 to 363p and **Associated Dairies** 4 to 154p. Elsewhere, **Paterson Jenks** attracted further speculative interest and put on 4 for a two-day gain of 12 to 120p, while **Taverner Rutledge** encountered further country buying and firmed 3 more to 29p.

Leading Hotels and Caterers fluctuated narrowly before settling a shade easier on balance. Among secondary issues, **Kennedy Brookes**, dealt in the Unlisted Securities Market, rose 13 to 200p following a newsletter tip.



Unilever lower

Unilever took a turn for the worse, dropping to 780p before closing 18 down on balance at 790p; the annual results are scheduled for March 1. End-account profit-taking clipped 6 from **BTR** at 426p but **Glaxo**, at £13¼, steadied after recent dullness caused by adverse rumours concerning the U.S. launching of its Zantac anti-ulcer drug; the shares still closed £1 down on the week and go ex—the 100 per cent scrip—issue on Monday. Elsewhere in miscellaneous industrials, revived takeover hopes lifted **BET** 22 to 220p, while speculative buying on talk of an imminent development left **Hollis Bros and ESA** 5 up at 50p. **R. Kelvin Watson** firmed 6 to 79p, but **Hoover A** lost 8 to 117p following comment on the results. **London and Liverpool Trust** fell 18 to 530p on profit-taking and **James Wilkes** declined 15 to 420p for the same reason. Still awaiting the proposed merger terms for Cornell and Wearwell, **Polly Peck** gave up 1¾ to £32¼.

A rising sector of late, Motor Distributors succumbed to the general apathy and most displayed modest falls. **British Car Auction** eased a few pence to 187p, while **Lex Service** shed 2 to 196p. **Henlys**, however, remained firm on renewed takeover prospects and hardened a penny for a gain on the week of 16 to 105p. **H. Young** advanced 4 to 42p following the reduced first-half deficit and optimism over second-half trading.

Metal Bulletin, dealt in the Unlisted Securities Market, ended only 3 easier at 142p, after 135p, the increased annual profits and dividend being nullified by the cautious outlook on future trading. **Geers Gross**, which announced a £4.3m rights issue on Thursday, gave up 2 to record a two-day fall of 15 at 183p. Elsewhere on the advertising front, **Brunning** attracted steady demand following a Press recommendation and advanced 16 to 150p with the Restricted voting 9 up at 137p. **Aidcom International**, formerly Allied International Designers, rose 4 to 78p in front of Monday's preliminary results.

Inclined easier at first, Properties picked up to close with reasonable gains. **Land Securities** ended 5 dearer at 303p and **MEPC** 4 up at 221p. Elsewhere, **Westminster Property** touched 35p before closing a net 2 up at 32p on the announcement that Saint Piran had acquired a 23.6 per cent stake in the company and intends to increase the holding to 29.9 per cent by tender at a fixed price of 35½p. **Trust Securities** put on 6 to 102p on reports that the company was seeking to merge with **Percy Bilton**, 2 cheaper at 234p, after 232p. After Thursday's jump of 7 on the C. H. Beazer share-exchange offer, currently worth 66½p, **Second City Properties** firmed 2 to 69p.

Britoil revive

BNOC's recommendation to customers that the UK reference price should be cut by only $3 to $30½ per barrel came as a relief to Oils and quotations took a firmer line after the recent poor showing. **Britoil**, a particularly depressed market of late, took a distinct turn for the better and rallied 7 to 55p. **British Petroleum** edged up 6 to 324p, as did **Shell**, to 446p. **Ultramar** ended unaltered at 500p, but the new nil-paid shares gained 7 to 90p premium. Elsewhere, **Marinex** jumped 14 to 67p on revived speculative buying, but **International Petroleum**, at 250p, gave up 20 of the previous day's gain of 45.

Overseas Traders were mixed. **Inchcape** were again in demand and rose 7 for a two-day gain of 20 to 330p. **Gill and Duffus**, however, eased 4 to 162p, while **Tozer Kemsley and Millbourn** fell 3 to 18p.

Late rally in Golds

Mining markets closed a much quieter week on a reasonably buoyant note. Initially steady on renewed Johannesburg support, Gold shares fell away dramatically in the middle of the day reflecting a downturn in the bullion price which encouraged heavy end-account profit-taking and widespread selling from the Continent.

Towards the close, however, good support emerged and many issues staged a strong rally to close well above the day's lowest. The Gold Mines index gave up 15.4 at 706.5 to show a 5 point decline over the five-day period.

As well as producing the late recovery in prices yesterday's after-hours' buying left a number of issues showing moderate gains on balance. **Randfontein**, for instance, were finally a net £2¼ stronger at a record £101; on Tuesday, the stock became the first of the South African Golds to attain the £100 a share level. **Unisel** improved from £10⅛ to close ⅛ harder on balance at £10¾, while **Blyvoor** ended the day a similar amount to the good at £11⅛.

Among the many losers, **Free State Geduld** were finally £2 down at £36½, after £35¾, while **President Brand** dipped £1½ to $35¾ and **President Steyn** £1½ to £31⅝.

South African Financials continued to mirror the pattern in Golds, "**Amgold**" ending a net £1¾ down at £83 and **Gold Fields of South Africa** ¾ cheaper at £87¾.

The London issues staged a minor rally after the substantial falls recorded earlier in the week. **Gold Fields** ended 2 better at 537p but remained 30 down on the week reflecting persistent rumours of a possible rights issue to be announced along with the half-year figures on March 9. **RTZ** were actively traded and finally 3 firmer at 528p—down 22 over the five-day period.

A weak Platinums sector showed **Impala** 20 off at 620p and **Rustenburg** 10 easier at 435p.

Australians were broadly lower but also tended to pick up in the after-hours' trading. **Gold Mines of Kalgoorlie** fell 30 to 780p while **Poseidon** dipped 8 to 392p. **Central Norseman** closed unaltered at 603p, after 598p.

A lone firm spot in the leaders was provided by **CRA**, which added 5 at 250p. **Peko-Wallsend** and **Western Mining** both ended that amount cheaper at 400p and 245p respectively. Elsewhere, **Northgate Exploration** fell 5 to 470p following the results.

Traded Options mirrored equities in showing weariness at the end of the three-week trading Account. Dealers reported a subdued business, a view borne out by the week's daily average of 2,425—the lowest for six weeks. Total contracts struck yesterday amounted to 1,674—1,093 calls and 581 puts. **Commercial Union** remained relatively active in the run-up to the full-year results, scheduled for next Tuesday, and recorded 306 calls, with 196 done in the popular April 130's. **Lonrho** continued to attract a useful two-way trade, recording 168 calls and 176 puts.

FINANCIAL TIMES STOCK INDICES

	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 11	year ago
Government Secs.	79.93	79.58	79.75	78.78	79.31	78.80	65.19
Fixed Interest	81.28	81.17	81.19	81.21	80.89	80.53	65.53
Industrial Ord.	645.9	650.3	656.0	661.9	660.7	662.5	562.3
Gold Mines	706.5	721.9	733.6	734.7	712.5	711.5	261.3
Ord. Div. Yield	4.76	4.73	4.69	4.65	4.66	4.61	5.45
Earnings, Yld.% (full)	10.25	10.20	10.10	9.99	9.98	9.95	9.66
P/E Ratio (net) (*)	11.73	11.79	11.92	12.05	12.06	12.09	13.64
Total bargains	25,848	25,324	24,330	24,018	26,136	24,085	16,991
Equity turnover £m.	—	264.43	237.88	217.12	196.81	233.54	101.05
Equity bargains	—	25,550	24,126	20,749	24,056	20,877	12,380
Shares traded (ml)	—	171.7	144.5	144.8	139.2	167.8	71.0

10 am 648.1. 11 am 647.1. Noon 644.9. 1 pm 644.9. 2 pm 644.5. 3 pm 644.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.
*Nil=10.98.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.54 (5/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	662.5 (11/2/83)	518.1 (5/1/82)	662.5 (11/2/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.3 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 17	Feb. 16
—Daily		
Gilt Edged Bargains	162.5	181.9
Equities Bargains	165.5	156.3
Value	534.5	460.6
5-day Avrge		
Gilt-Edged Bargains	171.1	172.3
Equities Bargains	149.5	144.1
Value	464.8	62.14

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, February 17, 1983.

Gold Mines Index	+ 29.72	Merchant Banks	+ 9.25
Office Equipment	+ 28.36	Banks	+ 8.92
Packaging and Paper	+ 20.83	Mechanical Engineering	+ 8.76
Newspapers, Publishing	+ 17.00	Contracting, Construction	+ 7.91
Motors	+ 15.09	Chemicals	+ 7.60
Insurance Brokers	+ 15.05	Building Materials	+ 6.83
Textiles	+ 14.47	Health and H'sehold Products	+ 6.65
Other Industrial Materials	+ 14.00	Brewers and Distillers	+ 6.58
Overseas Traders	+ 13.99	Insurance (Life)	+ 6.39
Investment Trusts	+ 13.29	All-Share Index	+ 6.32
Metals and Metal Forming	+ 12.62	Food Manufacturing	+ 5.75
Insurance (Composite)	+ 12.53	Oils	+ 5.65
Mining Finance	+ 12.08	500 Share Index	+ 4.69
Other Consumer	+ 11.09	Industrial Group	+ 4.42
Financial Group	+ 10.90	Consumer Group	+ 4.02
Tobaccos	+ 10.56	Capital Goods	+ 3.11
Shipping and Transport	+ 10.43	Discount Houses	+ 1.97
Leisure	+ 10.03	Food Retailing	− 1.36
Other Groups	+ 9.84	Electricals	− 3.75
Property	+ 9.42	Engineering Contractors	− 4.29
		Stores	− 5.85

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 28	Mar 11	June 2	June 13
Mar 14	Mar 25	June 16	June 27
Mar 28	April 8	June 30	July 11

For rate indications see end of Share Information Service

Money was given for the call in Shiloh Spinners, Hampton Trust, Mellins, Bio-Isolates, Grovebell, Town and City Properties, BET, Sound Diffusion, Turner and Newall, Gill and Duffus, Keep Investment Trust, Lonrho, P & O Deferred, Associated British Ports, First National Finance, Woolworth, Barker and Dobson and London and Liverpool. No puts were reported, but a double was arranged in Hampton Trust.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	78	4	15	257	105	126
Corpns. Dom. and Foreign Bonds	19	5	52	83	39	258
Industrials	197	357	775	1,233	1,532	3,888
Financial and Properties	82	136	297	530	682	1,363
Oils	22	18	70	110	111	331
Plantations	2	5	15	20	17	73
Mines	21	61	67	213	207	325
Others	43	62	51	284	275	216
Totals	464	648	1,342	2,730	2,968	6,580

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

No.	Group	Fri Feb 18 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs Feb 17 Index No.	Wed Feb 16 Index No.	Tues Feb 15 Index No.	Mon Feb 14 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (208)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (26)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (65)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (200)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (47)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (78)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (44)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (486)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (109)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Fri Feb 18	Day's change %	Thurs Feb 17	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.63	+0.23	117.16	—	1.75
2	5-15 years	127.91	+0.70	127.02	—	2.41
3	Over 15 years	134.99	+0.71	134.04	—	1.75
4	Irredeemables	152.25	+0.45	151.82	—	0.00
5	All stocks	126.69	+0.57	125.96	—	2.08
6	Debentures and Loans	100.82	+0.06	100.76	—	[illegible]
7	Preference	77.22	—	77.28	0.32	14.[illegible]

	AVERAGE GROSS REDEMPTION YIELDS	Fri Feb 18	Thurs Feb 17	Year ago (approx.)	1982/83 Highs	1982/83 Lows
	British Government					
1	Low Coupons 5 years	8.91	8.98	12.69	13.40 (5/1/82)	7.99 (2/11/82)
2	15 years	10.41	10.48	13.24	14.28 (5/1/82)	9.25 (11/11/82)
3	25 years	10.54	10.64	12.88	14.37 (12/1/82)	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	Debs & Loans 5 years	12.49	12.49	16.08	[illegible]	[illegible]
12	15 years	12.57	12.58	15.90	[illegible]	[illegible]
13	25 years	12.64	12.67	15.84	[illegible]	[illegible]
14	Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A new list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Assoc. British Ports	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Baltic Leasing 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Booth (Charles) 5p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Br. Kidney Pat. A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cavenham	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	HB Elect Comps 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Memory Comp 1r 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Microgen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Munford & White	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Resource Tech. 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sinclair (Wm.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Deferred	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Swindon Priv Hos A	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tops Estates 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yorks & Lancs W'rnt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Anglo-Nordic 10% Cnv. Uns. Ln. 1989	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	BOC 12½% Uns. Ln. 2012-17	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Birmingham 11½% Red. 2012	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	East Surrey Water 7% Red. Pref. 1988	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	European Inv. Bk. 11⅞% Ln. 2002	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid Sussex Water 7% Red. Pref. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide Bdg. Soc. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pearson (S) 13% Uns. Ln. 2007	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sweden 13½% Ln. Stk. 2010	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Transoomt. [illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	AGB Research 10p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Arlen Elec.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Audiotronic 2½p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bellway	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Cluff Oil "B"	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dominion Int. 20p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Grosvenor Group	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	ICL	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	LCP	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mount Charlotte 10p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	NSS News 10p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rand Lon. Corp. 15cts	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ultramar	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. t Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ♦ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (90)

AMERICANS (1)
Simplicity Patterns

CANADIANS (4)
Bank of Montreal — Hudson's Bay
Bk. of Nova Scotia — Royal Bk. of Can.

BANKS (1)
Barclays

BEERS (1)
Clark (M.)

BUILDINGS (4)
Barratt Devs. — Feb. Int. A
Crouch Group — Lovell (Y. J.)

CHEMICALS (4)
Bayer AG — Hoechst
Croda Int. — Novo Inds. A/S B

STORES (5)
Greenfields — Wearwell
House of Leroe — Woolworth
WW Group

ELECTRICALS (5)
Electro-Protective — Sound Diffusion
Murray Tech. — Webber
Philips Lamps

ENGINEERING (2)
Brown & Tawse — Rotork

FOODS (1)
Paterson Jenks

HOTELS (2)
Kennedy Brookes — Mount Charlotte

INDUSTRIALS (15)
[illegible]

INSURANCE (1)
Liberty Life SA

LEISURE (2)
[illegible]

MOTORS (2)
Gates (F. G.) — Young (H.)
Hartwells

NEWSPAPERS (1)
Int. Thomson

PAPER (4)
[illegible]

PROPERTY (5)
[illegible]

SHIPPING (1)
Gotaas-Larsen

SOUTH AFRICANS (2)
Barlow Rand — OK Bazaars

TEXTILES (6)
[illegible]

TRUSTS (15)
[illegible]

OIL & GAS (1)
Royal Dutch

MINES (4)
[illegible]

NEW LOWS (4)

BEERS (1)
Tomatin

ELECTRICALS (1)
Whitworth

ENGINEERING (1)
Brown (John)

OIL & GAS (1)
Falmouth Pet.

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Arlen Elec	92	380	+30	Mellins	66	238	+10
Lon & Liverpool	91	548	−22	BET Defd	64	198	+8
Exco Int	88	590	+25	Nthn Gldsmths	63	159	+25
Bio-Isolates	82	410	−20	BAT Inds	61	700	[illegible]
Wilkes (J.)	75	435	+95	Cons Gld Fields	60	535	−30
Electro-Prtective	70	248	+30	RTZ	59	525	−7
Woolworth	67	211	+13	Combined Tech	58	69	+2

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Lon & Liverpool	30	548	−9	Mellins	22	238	+3
Arlen Elec	28	380	—	Trident TV A	22	73	−3
Spring Grove	27	79	+7½	UDS	22	117	+7
Wilkes (J.)	25	435	−22	BET Defd	20	198	−16
Combined Tech	24	69	+1	Second City	20	67	+7
Hanson Trust	24	192	−8	Bio-Isolates	18	410	—
Cons Gld Fields	22	535	−8	Comm Union	18	129	−3

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bristol	55	+7	Randfontein	£101	+2¼
Exco	600	+10	RTZ	528	+3
Hollis Bros	50	+5	Sound Diffusion	276	+26
Lloyds Bank	478	+33	Times Products	19½	−1
Mellins	244	+6	Unilever	790	−18

هكذا من الأصل

هكذا صدر الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life Linked Assur. Ltd.

London & Manchester Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

Multiple Health and Life Assc. Co. Ltd.

NEL Pensions Ltd.

National Provident Institution

New Zealand Ins. Co. (U.K.) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capital Life Assc. Co. Ltd.

Provident Mutual Life Ass. Assn.

Prudential Assurance Co.

Prudential Pensions Limited

Refuge Investments Limited

Reliance Mutual

Royal Life Insurance Ltd.

Royal Life (Unit Link. Pension Fds.) Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Mutual Assurance Society

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Windsor Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd.

Canada Life Group

Cannon Assurance Ltd.

Capital Life Assurance

Chieftain Assurance Funds

City of Westminster Assurance

Clerical Medical & Gen. Life Ass. Soc.

Colonial Mutual Managed Funds Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Insurance Co.

Crescent Life Assurance Co. Ltd.

Crown Life

Crusader Insurance PLC

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

G.T. Management Ltd.

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

OFFSHORE AND OVERSEAS

Adig Investment

Albany Fund Management Limited

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Andover Futures Ltd.

Arbuthnot Securities (C.I.) Ltd.

B.I.A. Bond Investments AG

Barbrook (Overseas) Ltd.

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Charterhouse Japhet

Charterhouse Japhet Currency Mngt. Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Drexel Burnham Lambert

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Erwinger Management Ltd.

Eurobond Holdings N.V.

S.E. Europe Obligations S.A.

Eurotax Investments Ltd.

Executive Life (C.I.F. Managers Ltd.)

F & C Mgmt. Ltd. Inv. Advisers

Fidelity International

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management (U.K.) Ltd.

Gartmore Fund Managers Ldn. Agents

Gartmore Fund Managers (C.I.) Ltd.

Gartmore Fund Managers (IOM) Ltd.

Assicurazioni GENERALI S.p.A.

Granville Management Limited

Grindlays Investment Mngt. Ltd.

Guinness Mahon Int. Fund (Guernsey)

Hambro Pacific Fund Mgmt. Ltd.

Hambros Bank (Guernsey) Ltd.

Henderson Baring Group

Hill Samuel & Co. (Guernsey) Ltd.

Hill Samuel Investment Mgmt. Intnl.

HK Fund Managers (Jersey) Ltd.

I.C. Trust Managers Ltd.

IOF Management Services Inc.

N.V. Interbeheer

International Bond Trust

International Pacific Inv. Mngt. Ltd.

Invicta Investment Management

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kleinwort Benson Group

Korea International Trust

Dashan-Investment Trust Co. Ltd.

Lazard Brothers & Co. (Jersey) Ltd.

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

Lloyds Bank International, Guernsey

Louis Dreyfus Commodity Fund

M & G Group

Management International Ltd.

Manufacturers Hanover Asset Mgt.

Midland Bank Tst. Corp. (Jersey) Ltd.

Minerals, Oils Res. Shrs. Fd. Inc.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Negit S.A.

N.E.L. International Ltd.

Newport International Management

Normandy Trust Managers Ltd.

Northgate Unit Tst. Mngrs. (Jersey)

Pacific Basin Fund

Perpetual U.T. Mgrs. (Jersey) Ltd.

Phoenix International

Quilter International Management

Rothschild Asset Management (C.I.)

RC Intnl. Reserves Ltd.

Royal Bank of Canada Funds

Save & Prosper International

Schroder Mngt. Services (Jersey) Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Schroder Unit Trust Mgrs. Intl. Ltd.

Schroder Life Assurance Intl. Ltd.

Scrimgeour Kemp-Gee Mngmt. Jersey

Securities Selection Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents

Strategic Metal Trust Mngrs. Ltd.

Sun Life Investment Management Limited

Surinvest (Jersey) Ltd.

TSB Trust Funds (C.I.)

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Bank Isle of Man Ltd.

Tyndall Group

Target Trust Mgrs. (Cayman) Ltd.

Target Trust Managers (Jersey) Ltd.

Trident Funds (Guernsey) Ltd.

M. G. Tyrrell & Co. Ltd.

Union-Investment-Gesellschaft mbH

V.C.A. Financial Management Ltd.

Vanbrugh Fund Mngmt. Intl. Ltd.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

Wardley Investment Services Ltd.

Westwood Secs. (Guernsey) Ltd.

World Wide Growth Management

Wren Commodity Management Ltd.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Guernsey gross. ● Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. †† Only available to charitable bodies. ■ Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked & Variable Rate

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—Continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS & HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

135	27	♥Colby Res Corp.	120	......	—	—	—
485	170	Cons. Murch. 10c.	400	......	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	5½	......	—	—	—
155	55	♥Highwood Res	140	-5	—	—	—
£40½	£25	Homestake Mining $1	£39½	-¼	Q40c	—	0.6
495	160	Northgate C$1	470	-5	—	—	—
552	344	R.T.Z.	528	+3	16.0	1.6	4.3
£122	£84	Do.9½%Cv.Ln.'95-2000	£117½	+1	Q9½%	23.9	8.2
35	11	♥Sabina Inds C$1	30	......	—	—	—
17½	12½	♦Southwest Res 10p.	14½	+½	—	—	—
539	270	♥Tara Exptn $1	440	-35	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
Albany Inv. 20p	49	......	Exch. 15pc 1985	£100	......
Bertrams	17	......	Nat. 9¾% 84/89	£82¼	+¼
Bdg'wtr. Est. 50p	485	......	Fin. 13% 97/02	£94½	+¾
Craig & Rose £1	£12½	......	Alliance Gas	110	......
Finlay Pkg. 5p	30	......	Arnott	190	......
Graig Ship. £1	£21	......	Carroll (P.J.)	83	......
Higsons Brew	105	......	Concrete Prods.	48	......
Holt (Jos) 25p	360	......	Helton (Hldgs.)	15	......

OPTIONS

3-month Call Rates

Eagle Star	30	R.H.M.	6	Premier	4
F.N.F.C.	4	Rank Org. Ord.	15	Shell	35
Gen. Accident	30	Reed Intnl.	26	Tricentrol	22
Gen. Electric	24	Sears	9	Ultramar	42
Glaxo	90	T.I.	13		
Grand Met.	25	Tesco	8	Mines	
G.U.S. 'A'	50	Thorn EMI	38	Charter Cons.	20
Guardian	35	Trust Houses	13	Cons. Gold	40
G.K.N.	15	Turner & Newall	4	Lonrho	8
Hawker Sidd	30	Unilever	65	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

FINANCIAL TIMES

Saturday February 19 1983

MAN IN THE NEWS

Coaxing along at Acas

BY PHILIP BASSETT

WHEN the water inquiry publishes its findings probably tomorrow, the signatory will be its chairman, Dr Tom Johnston; the main reason, however, why the complex water pay dispute has managed to reach this conclusion is the careful, patient coaxing of Mr Pat Lowry and his team at the Advisory, Conciliation and Arbitration Service.

As chairman of Acas, Lowry has deftly picked his way through the dispute—strewn with appalling industrial relations gaffes on the employers' side and a spirit of nervous resolve among the unions which reflect the inexperience of both sides in handling a national strike in the water supply and sewerage industry.

Lowry has come through to obtain for a conciliator what must be an unusual accolade: an editorial in the robustly right-wing Daily Mail saying that he is the only figure to emerge with credit from a dispute marked otherwise by irresponsibility and blundering ineptitude.

Not quite true: Lowry has been closely supported through-

Mr Pat Lowry

out by his forcefully persuasive lieutenant, Mr Dennis Boyd, Acas' chief conciliation officer, whose genial but tough affability fits in with Lowry's dryer understatement and pragmatism. Lowry was battle-hardened in his previous jobs as industrial relations director first of the Engineering Employers' Federation and then at BL.

He is not without his critics, particularly from his BL days. They saw him then as an endless compromiser when what was needed was the abrasive immovability of Sir Michael Edwardes.

As a tripartite body which necessarily gives credence to the trade unions, Acas was a natural target for a radical Tory government, particularly when Lowry's predecessor, Mr Jim Mortimer, re-emerged as general secretary of the Labour Party. Gradually, though, even its hard-line political opponents began to sense its value.

So much so, that when in the Commons emergency debate this week on the water strike, Mr Tom King, Environment Secretary, fired off a salvo claiming the strike "threatens the important position of Acas," the shot simply richocheted off Lowry and Boyd.

Since arriving at Acas in March 1981, Lowry has hardly had an easy time. The most prominent disputes he has had to deal with were the protracted British Rail flexible rostering saga, and the long drawn-out National Health Service strikes as well as water.

The experience of the BR dispute was formative. Infuriated by the endless verbal circling of BR and the train drivers' union Aslef over a form of words originally agreed with Acas, and which Lowry and his team throughout the piece thought was clear, he was determined not to be hamstrung again by the reticence traditional in Acas from its old days as the trouble-shooting part of the Department of Employment.

His guidance in the water dispute has been much firmer, surfacing publicly in an interpretation of an arbitration agreement and in a terse summary of the strike's see-saw negotiations, which refused to shrink either from harsh but fair judgments about the unions or scathing and justified criticisms of the employers.

Even though this is outside normal Acas conventions, Lowry knows that in his job there are no rules to help him. In the water dispute, as in other big, set-piece industrial battles, he and Dennis Boyd have had to rely on inventive agility and persistence, suggesting this, trying that, inching towards the conclusion all sides really know is inevitable.

Rizzoli arrests shake Italy

BY JAMES BUXTON IN ROME

THE ITALIAN political and business communities were shocked yesterday by the dawn arrest in Milan of Sig Angelo Rizzoli and Sig Bruno Tassan Din, chairman and managing director respectively of the Rizzoli publishing group which owns Corriere della Sera, Italy's leading newspaper.

Also arrested was Sig Rizzoli's younger brother, Alberto, a former managing director of the group.

The three were accused of fraud and concealment of debts over the disappearance of L29.6bn (£14m) from the group's accounts.

Sig Tassan Din had been due to resign formally yesterday.

The arrests appeared to signify the end of the control of the troubled group by Sig Angelo Rizzoli and Sig Tassan Din. They could also bring closer the proposed sale of Corriere della Sera and a consequent political battle for its control.

The charges relate to the unexplained disappearance from the Rizzoli accounts of L29.6bn between 1976 and 1979. Sig Angelo Rizzoli has told magistrates that he is technically in debt to the company for some L11bn of this sum.

The charges carry prison sentences of up to 10 years.

The arrests, carried out while the men were asleep in their Milan homes, were ordered by the judge who took responsibility for the Rizzoli group when it was placed in controlled administration towards the end of last year.

The group asked for controlled administration for a year to obtain a breathing space to freeze its debts and reach a solution with its creditors.

In spite of being Italy's most important publishing group and possessing the profitable Corriere del la Sera, Rizzoli has debts estimated at about L300bn. Most of these debts are to the consortium of seven banks which last summer took over the bankrupt Banco Ambrosiano, run by the late Sig Roberto Calvi.

Banco Ambrosiano took a 40 per cent stake in Rizzoli in 1981 through its financial holding company, La Centrale. La Centrale now belongs to the consortium of banks and late last year was given the mandate by a judge to sell Corriere del la Sera, reckoned to be Rizzoli's best asset.

Th consorium hd been refusing to reschudule the debt of Rizzoli or assist its restructuring until Sir Tassan Din resigned as managing director, which he finally agreed to do this week. Sig Angelo Rizzoli had also said he would consider resigning as chairman.

Rizzoli's problems have been aggravated by past connections between the newspaper and the P2 masonic londge, which Sig Rizzoli, Sig Tassan Din and Sig Calvi belonged.

The lodge was a network of influential Italians working to further their political and business interests.

Since the P2 scandal broke in May 1981 and brought down the then Italian government, staff at Corriere dela Sera have been pressing strongly for the departure of Sig Rizzoll and Sig Tassan Din.

Indonesia may seek IMF aid

BY RICHARD COWPER IN JAKARTA

INDONESIA, ASIA'S biggest oil exporter, is actively considering a formal request to the International Monetary Fund for loans of up to $600m (£390m). It needs help with growing balance of payments difficulties, likely to be worsened by falling oil prices.

In the year to March 31 Indonesia is expected to register a record current account deficit of about $7bn. The deficit for 1981-82 was $2.4bn.

Its foreign reserves are likely to be as much as $4bn down in the year to March 31. With remaining reserves of about $6bn held by Bank of Indonesia and five state-owned banks, most economists agree the country cannot afford a similar draw down of reserves in the coming financial year.

Oil comprises about 70 per cent of Indonesia's total exports. Indonesia's oil price is expected to be forced down from $34.53 a barrel to about $30 in the next week of so, so Jakarta will face even more serious funding problems.

Many observers expect Indonesia to draw on the IMF as part of a strategy to solve its deepening balance of payments difficulties.

In January the IMF agreed to lend Indonesia 69m SDRs (£48m) from the country's contribution to the IMF buffer stock funds for tin and rubber.

It is unclear whether this has been drawn down yet. If it has, as seems likely, it would be Indonesia's first borrowing from the fund since 1972 and would be a clear sign of the country's growing problems, similar to those faced by other oil producers such as Nigeria, Venezuela and Mexico.

The Indonesian Government is considering formally requesting the IMF for further loans under the organisation's compensatory financing facility (CFF) as well as drawing a first tranche of 25 per cent of the 720m SDRs deposit it has with the IMF.

Jakarta has provided the IMF with export figures, for the fund to make a decision as to whether Indonesia's financing problems qualify it for the CFF facility.

Senior bankers say Indonesia should obtain approval for a $389m draw down under the CFF in the next few months. It would then be up to Indonesia to make a formal request.

In addition, Indonesia is considering taking a first tranche facility of $194.4m—25 per cent of its total IMF SDR deposit. Bankers say this would have few strings attached and could be made available almost immediately.

Peter Montagnon adds: Indonesia has recently been borrowing rather heavily in international capital markets. It is arranging a $1bn syndicated loan from international banks. It is expected to launch, in April, a yen-denominated credit equivalent to $325m from Japanese banks and life insurance companies.

Radical move for traded options

By John Moore, City Correspondent

OVERSEAS specialist dealers in traded options are to be given direct access to the London stock market. The move is likely to lead to a radical change in the character of the traded options market in London.

Under a proposal agreed by the Stock Exchange ruling council, experts in traded options — the investment vehicle which confers the right to buy or sell a share at a fixed price within a predetermined period—will be admitted to the Stock Exchange floor to trade on their own account as dealers.

The market will be opened to dealers whether from the UK or from Chicago or any other overseas market.

Any traded options specialist who seeks access to the market in London will have to be accredited to one of the jobbing firms already transacting business on the floor.

Once admitted the newcomers will be trading on their own account, but will remain under the eye of the jobbing firm to which they have been accredited.

Although this is the first time the Stock Exchange has opened its doors in this way, the new entrants will operate within the existing regulatory framework of the London stock market.

The Stock Exchange said it had made the move "in view of the continuing increase in traded options turnover."

The new dealers will need to make arrangements with the jobbing firm for the provision of capital and terms of employment and remuneration.

GDP rise put at ½% last year

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S national output last year was only ½ per cent higher than in 1981 and 5 per cent below its 1979 level, according to the latest official estimate, published yesterday.

The small improvement last year in Gross Domestic Product was entirely attributable to the increase in output of North Sea oil, the figures show. Total national output rose by only about 1½ per cent between the trough of the present recession, in the spring of 1981, to the final quarter of last year. If oil is excluded, the rise was only about ½ per cent.

Yesterday's figures show that there was hardly any improvement in output in the past three months of 1982, compared with the previous quarter. Also, in the final period industrial output fell by about ¼ per cent, which suggests that thet service sector continued to move head.

Final figures for GDP last year will not be available until data are available for the two estamates based on income and expediture figures. In recent years there have been some marked discrepancies between these three estimates.

Gross Domestic Product at constant factor cost
Output data
Seasonally adjusted

quarter		Total output	Total output excluding oil
1978		108.1	105.6
1979		110.3	106.7
1980		107.1	103.5
1981		104.5	100.4
1982		105.1	100.5
1981	1	104.3	100.2
	2	104.0	100.0
	3	104.7	100.7
	4	104.9	100.7
1982	1	104.6	100.4
	2	104.9	100.3
	3	105.3	100.7
	4	105.5	100.6

* 1975=100

The sluggish performance of the UK economy last year was a disappointment to the Government. At the time of the last Budget it predicted that output in 1982 would be 1¼ per cent higher than in the previous year.

The slow rate of growth appears to be due to high interest rates at the beginning of the year, which tended to depress industrial confidence. A gradual rebuilding of stocks in the early spring soon petered out and by the autumn, stocks were being run down at a rate comparable with that in 1981.

It is hoped that the slightly more favourable outlook for the world economy, and particularly the U.S., will now persuade businesses to run down stocks at a slower rate.

Since consumer spending remains relatively buoyant, this would mean that industrial output would increase to satisfy demand. On this basis most forecasters, including the Treasury, are predicting an increase of UK national output of about 1-2 per cent in the current year.

It is generally hoped that the 12 per cent depreciation of sterling since early November will help exporters to improve their performance in a world market which should once again start growing slowly.

Remarkable Aussies

Continued from Page 1

prevented? To understand the question, it helps to understand bush fires.

Some start spontaneously, and some are deliberately lit, but the outcome is the same if they are fanned by fast and fickle winds. Feeding off an air temperature of 40 degrees Centigrade plus (104 degrees F), as they were on Wednesday, they race and backtrack and change direction again, and overwhelm anything in their path with a force that was likened this week to a small atomic bomb.

Mr Malcolm Fraser, the Prime Minister, described the effect of the fires no less vividly after touring the Adelaide Hills and parts of Victoria. "A Panzer division going through could not have done as much damage," he said. "There is nothing left."

Yesterday, there was talk of the need for better and wider fire breaks around townships and properties. There was also renewed discussion of how best to fight a bush fire—on the ground, with trained firefighters confronting the blaze, or from the air, with aircraft and chemicals.

Yet Wednesday's conditions—abnormally high air temperatures, exceptionally fast winds and almost totally dried-out scrub and bush—are said to occur on only "six to ten days each century."

In the view of one expert, "all the money in the world, and millions of men with all sorts of equipment wouldn't have helped on Wednesday."

● In Adelaide yesterday, an unemployed sheet metal worker, aged 19, was charged with setting fire to scrub at Kershbrook in the Adelaide Hills on Wednesday. He was remanded in custody for his own protection.

Eric Short writes: Preliminary estimates from the British Insurance Association put the cost of the Australian bush fires to UK insurance companies at between £15m and £20m.

Royal Insurance, which has the largest Australian involvement of the UK insurance companies, said that claims already filed had passed £3½m, after which any claims are borne by re-insurers.

General Accident and Guardian Royal Exchange Assurance each said preliminary estimates put claims on them at between £1m and £2m.

Eagle Star estimated it would have to pay out £1m. The claims relate largely to household insurance, where damage from bush fires is one of the perils specifically covered.

Continued from Page 1

Superdrug oversubscribed

described it as "a great compliment to the company." He said that the company was "perfectly happy with the price set on the shares by our advisers."

Mr Christopher Bell of sponsoring brokers Scrimgeour, Kemp-Gee said: "We priced the shares aggressively in order to discourage the stags, but they all piled in." Mr Bell said that more than one institution had applied for the entire 2.8m shares offered. A tender offer for the shares — in which the investor is required to name his own price—had been considered, but, Mr Bell said, "the City loathes tenders, particularly after Britoil."

Mr David Broyd of Barclays new issue department said that his staff had been up until 2 am yesterday sorting the applications.

No single applicant will receive more than 70,000 shares.

Continued from Page 1

Water

quiry was picketed last night by a delegation of striking water workers.

This followed the suggestion earlier this week by Mr Norman Tebbit, Employment Secretary, that the Government was again considering the outlawing of strikes in essential services, such as water.

The influential right-wing Centre for Policy Studies has drawn up a document proposing similar measures in greater detail.

Weather

UK TODAY

Mostly dry and sunny.

E Anglia, E, NE England, Border, Edinburgh and Dundee:
Dry, cloudy with some sunny spelles. Icy patches. Max 6C

S W England, S Wales
Rather cloudy. Winds moderate to fresh. Max 6C (43F).

Rest of England and Wales, S W Scotland, Argyll, N Ireland
Clear periods. Frost

Rest of Scotland
Some showers becoming wintry.

Outlook: Dry, sunny periods.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	10	50	L. Ang.†		—	—
Algiers	C	11	52	Luxmbg.	S	1	34
Amsdm.	C	1	34	Luxor	S	26	79
Athens	S	1	34	Madrid	C	8	46
Bahrain	S	20	68	Majorca	F	12	54
Barclna.	F	10	50	Malaga	C	13	55
Beirut	T	11	52	Malta	C	12	54
Belfast	S	5	41	M'chstr.	S	5	41
Belgrd.	Sn	—	27	Melbne.	F	20	68
Berlin	Sn	−2	28	Mx. C.†		—	—
Biarritz	S	11	52	Miami†	F	15	59
Bmghm.	S	3	37	Milan	S	4	39
Blackpl.	S	4	39	Montrl.†	F	−5	23
Bordx.	C	4	39	Moscow	F	−7	19
Boulgn.	S	3	37	Munich	S	−3	28
Bristol	S	3	37	Nairobi		—	—
Brussels	S	2	36	Naples	S	7	45
Budpst.	C	0	32	Nassau		—	—
Cairo	F	16	61	Nwcstl.	S	3	37
Cardiff	S	2	36	N.York†	F	3	37
Cas'b'ca	C	18	64	Nice	S	12	54
Cape T.	S	25	75	Nicosia		—	—
Cologne	S	3	37	Oporto	F	14	57
Chicg.†	C	0	32	Oslo	F	−2	28
Cpnhgn.	C	0	32	Paris	S	2	36
Corfu	S	7	45	Perth	S	35	95
Denver†	F	3	37	Prague	S	1	34
Dublin	S	5	41	Rykjvk.	S	2	36
Dbrvnk.	S	5	41	Rhodes	C	4	41
Ednbgh.	S	3	37	Rio J'o†		—	—
Faro	C	15	59	Rome	S	10	50
Florence	S	6	43	Salzbrg.	S	1	34
Frnkft.	S	1	34	S'cisco†	R	11	52
Funchal	C	17	63	S. Mritz.		—	—
Geneva	S	−2	28	Singapr.		—	—
Gibrltr.	C	1	55	S'tiago†		—	—
Gl'sg'w	S	2	36	Stckhm.	S	1	34
G'rnsey	S	3	37	Strasbg.	S	3	37
Helsinki	S	3	37	Sydney	C	22	72
H. Kong	S	19	66	Tangier	F	15	59
Innsbrk.	S	−1	30	Tel Aviv	C	16	61
Invrnss.	S	2	36	Tenerife	F	20	68
I.o.Man	S	4	39	Tokyo		—	—
Istanbul	Sn	−4	2	T'r'nto†	F	−3	27
Istanbl	Sn	−4	25	Tunis	C	11	52
Jersey	S	2	36	Valencia	R	7	45
Jo'burg	S	29	84	Venice	S	7	45
L. Pims.	F	19	66	Vienna	S	−1	30
Lisbon	C	10	50	Warsaw	C	1	34
Locarno	S	3	37	Zurich	S	−3	27
London	S	6	43				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

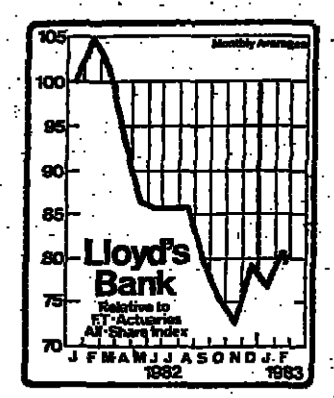
Lloyds provides its sovereign remedy

Lloyds Bank remains as cagey as ever about identifying its bad debts but 1982's provision, up £133.2m to £218.9m, has been lifted to cover sovereign as well as corporate loans and that in itself marks a signal change in the clearers' stance since last year's nod from the Bank of England. Lloyds' provision is rather larger than expected and has resulted in a pre-tax profit fall of 18 per cent to £316m. But after the tripling of Lloyds Bank International's provision already announced, the only real surprise is the parent bank's domestic provision which has grown by £44m to £74m and is responsible for a 15 per cent cut in UK sterling profits.

Domestic sterling lending, up 36 per cent, has grown even more strongly than the 31 per cent shown for all the London clearers in the Bank's December statistics, with nearly half the £2.2bn gain, to £8.3bn, coming from new mortgage business. This has prompted a major shift in Lloyds' traditional funding pattern. Current and seven-day deposit accounts have grown only 5 and 8 per cent respectively and Lloyds' need for additional capital has taken the parent bank heavily into the interbank market for the first time. Interbank funds now comprise 23 per cent of total sterling liabilities.

This has resulted in narrower margins just as the bank's operating expenses seem to have come under better control. But a 24.5 per cent growth in over-all group assets has provided some cushion, with a £1bn growth in the parent's own non-sterling assets lifting its international profits 32 per cent to £34.3m. Profits before bad debt provisions have risen 13.5 per cent, showing underlying trends a little stronger than expected, while the bank has opted for a 15 per cent dividend increase despite some erosion of its free capital base. Bank shares reached a record high on the dividend news, with Lloyds rising 33p to 478p, to produce a yield of 7.6 per cent.

Index fell 4.4 to 645.9



Markets

The North Sea oil price cut —of $3 a barrel—was duly announced yesterday, and the gilt-edged market celebrated the resolution of uncertainty by gobbling up outstanding supplies of the new short tap. The oil price cut was at the lower end of expectations, and should allow the Saudi reference to settle at $30, down $4. The oil sector picked up by 1½ per cent, with the market paying little heed to Nigerian mutterings about competing on a cent for cent basis. With Opec members looking gloomily into the abyss of a price spiral, the likelihood must be that the cartel will reach agreement on a new structure of price differentials in about a fortnight—although there will be some ferocious sabre-rattling in the meantime.

In the U.S. the reaction to Mr Paul Volcker's testimony to Congress remains cautious, and volume on the bond market has been thin. However, the greater familiarity with the concept of monetary base drift abroad—and in particular in London—has put pressure on the dollar, which is now 8 per cent down from its October peak. This suggests that the close dependence of UK markets on developments in the U.S. may be relaxed. UK equities, meanwhile, which were looking overpriced in relation to gilt-edged, have eased back by 1½ per cent over the last week.

STC

In the last six months STC has clearly positioned itself for a major strategic move. Its American progrenitor, ITT, has been reduced to a minority shareholder, it has departed from the System telecommunications programme, and it sts been steadily generating cash until it now sits on deposits of £30m The City inevitable expects these changes to be followed by a flurry of takeover activity.

The group's main headache is the potential sales decline in its core telecommunications business. For the moment, with its share of British Telecom's TXE4 electronic switching gear orders hovering around 70 per cent and likely to rise, it can rely on a steady inflow from this division: yesterday's figures for the year to December indicate that pre-tax profits from telecommunications rose by around 14 per cent—though helped by the first contributions from the £180m Anzcan cable order. The switchgear orders, however, will begin to go into a tailspin within about five years, when STC is expecting its proportion of sales to British Telecom to drop from around 38 per cent to less than 10 per cent.

To replace this business, STC seems to be looking to the automation and technology market. In its present non-telecommunications activities, it has recently gone through a rough patch, but a two year pruning effort helped turn this cluster of component and distribution businesses up by around £7m to £9m pre-tax.

The absence of provisions for this division should alone push up profits by £5m this year, so the group should be well in line to show strong growth on last year's £64.3m pre-tax. But the market must now be watching for the nextstrategic move and some replacement cable orders: at last night's price of 202p, down 5p, the shares stand on a historic yield of 4.3 per cent and a p/e multiple of just over 19.

British Sugar

The VIPs-only circulation given to British Sugar's 1982 annual report by its new parent turns out to be an act of undue modesty. S and W Berisford has had its subsidiary blaze a trail for Current Cost Accounting. Parellel historic cost accounts have been left resolutely behind. A single financial note suggests just how old fashioned was British Sugar's pre-acquisition approach, which produced historic cost pre-tax profits last year of £66.6m. Presumably Berisford is anxious not to confuse the farming community with too many figures. Whether the CCA acounts, showing pre-tax profits of £47.4m, will strike the Office of Fair Trading as being sufficient on their own to provide comparable information, as required, might be a nice measure of CCA's popular acceptance these days.

Hanson Trust

Yesterday's Hanson Trust chart failed to adjust for a 1 for 1 scrip issue in January 1982, and a 1 for 2 issue in January 1983.

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